



## Dear Friends of the Fine Arts Museums of San Francisco

A year that opened with an exhibition of broad popular appeal such as *The Fashion World of Jean Paul Gaultier: From the Sidewalk to the Catwalk* and closed with an in-depth survey of an important period of one of California's greatest artists, *Richard Diebenkorn: The Berkeley Years, 1953–1966*, would be deemed a success by any art institution. At the Fine Arts Museums of San Francisco, this banner year was topped with the arrival of our new director, Colin B. Bailey, who brings decades of curatorial experience and vision to the de Young and the Legion of Honor.



Our dynamic programming encompassed a variety of exhibitions during fiscal year 2012–2013, including *Girl with a Pearl Earring: Dutch Paintings from the Mauritshuis*, a show of masterpieces from one of the most beloved periods in the history of art. This presentation clearly resonated with our audiences, as attendance projections were exceeded by nearly 25 percent. The Museums complemented the show with an exhibition from our own collections: *Rembrandt's Century* displayed more than 200 works on paper from the Achenbach Foundation for Graphic Arts.

We are fortunate to have two museums with distinct personalities that are enduring cultural icons for the people of San Francisco. Our community ties allow us to engage audiences in the civic life of the city, as our exhibition *Impressionists on the Water* was planned to coincide with the America's Cup races on San Francisco Bay this past summer. The city's hosting of the popular event also gave us a chance to feature the famed trophy in Gallery 12 of the Legion of Honor before it was captured by the Bay Area's own Oracle racing team.



It has been a year to celebrate many positive changes. With our new director on board to lead the Museums, there has been renewed focus on reviewing the collections and reinstalling our galleries. I invite you to rediscover the works of art at both the de Young and the Legion of Honor. The continued support of our donors, docents, volunteers, and friends has made this an exciting and rewarding time for the Museums. I look forward to our very bright future together.

Diane B. Wilsey  
President, Board of Trustees

**Top:** Richard Diebenkorn, *Seawall*, 1957. Oil on canvas. FAMSf, gift of Phyllis G. Diebenkorn. This work was a highlight of *Richard Diebenkorn: The Berkeley Years, 1953–1966*.  
**Center:** *Girl with a Pearl Earring* (detail), ca. 1665. Oil on canvas. Royal Picture Gallery Mauritshuis, The Hague, Bequest of Arnoldus des Tombe, 1903. This painting was the centerpiece of a presentation of Dutch Golden Age paintings from the collection of the Mauritshuis. Photo courtesy Royal Picture Gallery Mauritshuis. **Bottom:** Friday Nights at the de Young attract large numbers of participants for dancing, live music, art making, lectures, and more.

# Annual Report 2012–2013

Compelling special exhibitions, significant curatorial and conservation activities, scholarly symposia and publications, and public and educational programs—all inspired by our rich permanent collections—were enjoyed by more than 1.5 million visitors during fiscal year 2012–2013.

I am grateful for all of our public support and for gifts from individuals, companies, and foundations. Our members, visitors, and donors enable the Museums to maintain financial stability, thereby sustaining and advancing our mission. Members are our most important supporters; last year, more than 102,000 households joined or renewed. It is a pleasure to tell you that the Museums enjoy one of the largest memberships in the country and that we currently have approximately 109,000 member households.

Among the many accomplishments of last year are important acquisitions that strengthen our collections. The Museums purchased Frank Stella's *Lettre sur les aveugles II* (1974), one of the largest and most dynamic paintings from the artist's *Concentric Square* series. Another purchase, *Four Palm Trees* (1969), is a signature painting by San Francisco artist Robert Bechtle, a pioneer of the Photorealist style. From the estate of Diana Dollar Knowles, we received a bequest of three works: Giovanni Paolo Panini's *Ruins with Sybil* and *Ruins with Prophet*, both signed and dated in 1731, and Gustave Caillebotte's *Sunflowers along the Seine* (ca. 1885–1886), one of the highlights of last summer's exhibition *Impressionists on the Water*.

Ambitious conservation and curatorial projects continued apace at the Museums. Textiles conservators concluded a nearly 20-year effort to restore three monumental Flemish tapestries from the series *Triumph of the Virtues* (ca. 1535). For the first time, *Justice*, measuring approximately 15 by 18 feet, was displayed with its companions, *Fortitude* and *Prudence*, in Gallery 1 at the Legion of Honor. Over the course of the past year, in a transformed Gallery 13 at the Legion, visitors were able to observe objects and frame conservators conducting extensive work on the paneling of our 18th-century French period room, the Salon Doré from the Hôtel de La Trémoille. The renovated salon re-opened to the public on April 5, 2014.

We are also attentive to maintaining the ongoing care and conservation of our collections and to helping form a new generation of museum professionals. We recently learned that the Andrew W. Mellon Foundation granted the Museums funding for multiple fellowships in paper and objects conservation and for the position of an assistant conservator of textiles. This tremendous endorsement complements the consistent giving of all of our supporters. On behalf of the staff of the Fine Arts Museums, I am honored and appreciative. We are all committed to ensuring that the Museums and their collections merit your continuing support and generosity.

Colin B. Bailey  
Director of Museums



**Top:** Robert Bechtle, *Four Palm Trees*, 1969. Oil on canvas. FAMSF, museum purchase, American Art Trust Fund. This work was one of the Museums' many significant acquisitions during the fiscal year. © Robert Bechtle. **Center:** Children attending the de Young's Summer Art Camp sketch in the galleries of New Guinea art. **Bottom:** The *Triumph of the Virtues* series of 16th-century tapestries was installed in Gallery 1 at the Legion of Honor following a nearly 20-year conservation effort.

	Operating Fund	New de Young Fund	Endowment Fund	2013	2012
<b>ASSETS</b>					
Cash and cash equivalents	\$19,698,177	\$47,333,306	\$-	\$67,031,483	\$74,654,268
Interfund receivables (payables)	858,876	344,146	(1,203,022)	-	-
Short-term investments	1,249,754	21,644,759	-	22,894,513	13,853,255
Notes, accounts and other receivables	1,903,681	3,543,253	2,788,566	8,235,500	4,005,469
Contributions receivable, net	-	2,528,372	-	2,528,372	3,314,125
Prepaid expenses and other assets	243,291	23,321	-	266,612	133,473
Inventories	2,148,122	-	-	2,148,122	2,158,803
Furniture, fixtures, and equipment, net	1,709,568	81,862	-	1,791,430	2,022,869
Pooled income funds	176,951	-	-	176,951	178,460
Other Assets	-	-	5,079,061	5,079,061	6,772,081
Long-term investments	-	1,175,000	113,984,317	115,159,317	114,073,336
Beneficial interest in perpetual trusts	-	-	2,339,890	2,339,890	2,233,216
Bond issuance costs, net	-	2,810,344	-	2,810,344	2,958,256
Collections	19,193,900	-	-	19,193,900	18,093,901
Beneficial interest in use of new de Young Museum building, net	-	161,047,141	-	161,047,141	166,939,110
<b>Total assets</b>	<b>\$47,182,320</b>	<b>\$240,531,504</b>	<b>\$122,988,812</b>	<b>\$410,702,636</b>	<b>\$411,390,622</b>
<b>LIABILITIES AND NET ASSETS</b>					
Accounts payable	\$4,215,112	\$2,326	\$4,675	\$4,222,113	\$3,390,669
Accrued expenses	1,938,627	-	-	1,938,627	1,807,581
Deferred revenue	2,260,306	-	-	2,260,306	1,731,010
Capital lease obligations	189,831	-	-	189,831	248,219
Agency funds	986,516	-	-	986,516	877,951
Accrued pension liability	8,097,580	-	-	8,097,580	9,729,182
Bonds payable	-	60,775,000	-	60,775,000	60,775,000
<b>Total liabilities</b>	<b>17,687,972</b>	<b>60,777,326</b>	<b>4,675</b>	<b>78,469,973</b>	<b>78,559,612</b>
<b>Net assets</b>					
<b>Unrestricted</b>					
General	11,441,527	176,323,919	(14,481)	187,750,965	192,608,246
Board designated	-	-	7,884,696	7,884,696	7,365,058
<b>Total unrestricted</b>	<b>11,441,527</b>	<b>176,323,919</b>	<b>7,870,215</b>	<b>195,635,661</b>	<b>199,973,304</b>
Temporarily restricted	18,052,821	3,430,259	40,474,822	61,957,902	58,560,514
Permanently restricted	-	-	74,639,100	74,639,100	74,297,192
<b>Total net assets</b>	<b>29,494,348</b>	<b>179,754,178</b>	<b>122,984,137</b>	<b>332,232,663</b>	<b>332,831,010</b>
<b>Total liabilities and net assets</b>	<b>\$47,182,320</b>	<b>\$240,531,504</b>	<b>\$122,988,812</b>	<b>\$410,702,636</b>	<b>\$411,390,622</b>

	Operating Fund	New de Young Fund	Endowment Fund	2013	2012
<b>OPERATING REVENUES AND GAINS (LOSSES) AND OTHER SUPPORT</b>					
Museum stores sales	\$6,326,674	\$-	\$-	\$6,326,674	\$6,964,260
Cost of museum stores sales	(3,005,052)	-	-	(3,005,052)	(3,125,429)
Gross profit on sales	3,321,622	-	-	3,321,622	3,838,831
City appropriation	11,604,112	-	-	11,604,112	11,496,519
Membership dues	9,455,068	-	-	9,455,068	9,463,959
Annual contributions	5,444,972	-	-	5,444,972	4,331,078
Grants and bequests	576,184	-	-	576,184	606,586
Investment income	670,525	408,369	-	1,078,894	2,268,884
Appropriation of accumulated realized and unrealized gains	1,723,456	-	(1,723,456)	-	-
Transfers between funds	1,438,310	(1,397,962)	-	40,348	-
Admission and special events receipts	9,531,229	-	-	9,531,229	7,958,536
Facilities rental, net	519,063	-	-	519,063	511,896
Conservation services	55,347	-	-	55,347	85,072
Other	1,321,273	-	-	1,321,273	1,365,308
Total operating revenues and gains (losses)	45,661,161	(989,593)	(1,723,456)	42,948,112	41,926,669
Net assets released from restrictions	9,508,377	148,667	1,412,288	11,069,332	10,636,916
<b>Total operating revenues, gains (losses) and other support</b>	<b>55,169,538</b>	<b>(840,926)</b>	<b>(311,168)</b>	<b>54,017,444</b>	<b>52,563,585</b>
Operating expenses					
Exhibitions program	10,842,896	-	-	10,842,896	9,925,037
Curatorial, conservation, and education programs	14,043,964	-	-	14,043,964	13,116,478
Art acquisitions	2,077,889	-	-	2,077,889	2,077,349
Museum stores	2,908,945	-	-	2,908,945	2,885,573
Membership	2,819,983	-	-	2,819,983	3,079,361
Operations and administration	15,750,078	53,932	77,036	15,881,046	13,990,412
Development	7,220,453	-	-	7,220,453	6,525,476
New deYoung financing and other costs	-	6,560,068	-	6,560,068	6,662,259
<b>Total operating expenses</b>	<b>55,664,208</b>	<b>6,614,000</b>	<b>77,036</b>	<b>62,355,244</b>	<b>58,261,945</b>
<b>Change in unrestricted net assets from operations</b>	<b>(494,670)</b>	<b>(7,454,926)</b>	<b>(388,204)</b>	<b>(8,337,800)</b>	<b>(5,698,360)</b>
Other changes					
Realized gains on investments, net	-	1,320,495	447,779	1,768,274	2,224,655
Unrealized gains (losses) on investments, net	20,290	(815,818)	1,079,549	284,021	(2,296,836)
Realized gains on bond redemptions	-	-	-	-	14,375,691
Change in additional minimum pension liability	1,947,862	-	-	1,947,862	(4,766,275)
<b>Change in unrestricted net assets</b>	<b>1,473,482</b>	<b>(6,950,249)</b>	<b>1,139,124</b>	<b>(4,337,643)</b>	<b>3,838,875</b>
Unrestricted net assets, beginning of year	9,968,045	183,274,168	6,731,091	199,973,304	196,134,429
<b>Unrestricted net assets, end of year</b>	<b>\$11,441,527</b>	<b>\$176,323,919</b>	<b>\$7,870,215</b>	<b>\$195,635,661</b>	<b>\$199,973,304</b>