

THE STATUE OF LIBERTY-ELLIS ISLAND FOUNDATION, INC.

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New York, New York 10004-3507
212-561-4500

www.statueofliberty.org

or

www.ellisland.org

or

www.wallofhonor.org

or

www.peoplingofamerica.org

or

www.flagoffaces.org

ANNUAL REPORT

Year ended March 31, 2010

The Statue of Liberty-Ellis Island Foundation, Inc.

Year in Review

The 2009-2010 fiscal year brought continued fundraising for the Peopling of America® Center, a major expansion of the Ellis Island Immigration Museum which will tell the entire story of the populating of America. Major pledges and gifts have continued to be received, bringing us to approximately 90% of our goal. The approved Final Content Guidelines for the Center's exhibits, which were created by Edwin Schlossberg Inc. (ESI), the Center's designer, were detailed in a 2-volume 100% Final Design document (Physical and Graphic Design and Media Design) for the purpose of securing bids for the Center's contractors. Actual construction and fabrication are scheduled to begin by late summer 2010.

The Foundation launched The American Flag of Faces™ -- an interactive website which invites all Americans to submit photos of their families, their ancestors, even themselves to become a part of a living, ever-changing American mosaic. The Flag of Faces, which is a fundraising device for the Peopling Center, will also become a central exhibit in the Center.

The Foundation entered its second year of managing the new self-guided audio tours for the Statue of Liberty and Ellis Island, which are produced by award-winning Discovery Audio. They are available in nine languages, with a special tour designed especially for children. A portion of the proceeds helps support the creation of the Peopling Center.

We continue to manage our American Family Immigration History Center® at Ellis Island and our website where over 12 billion hits have been received, generating nearly 500,000 new email addresses annually for our outreach database.

The Foundation's board added its newest member, Emilio Estefan, the 19-time Grammy Award Winning music producer and songwriter, who, along with his wife Gloria, received the Foundation's Peopling of America Award in 2009. We welcome Emilio to the Board.

The Foundation's annual Ellis Island Family Heritage Awards were presented in the Great Hall of Ellis Island on April 22, 2010. Awards were given to music superstar Bruce Springsteen; esteemed businessman and philanthropist Peter G. Peterson; Avon Chairman and CEO Andrea Jung, and famed NBA All-Star Dikembe Mutombo. The event was hosted by Brian Williams, the Anchor and Managing Editor of the NBC Nightly News.

Sincerely,

Paul E. Weaver
Chairman of the Board

Stephen A. Briganti
President and Chief Executive Officer

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Officers

Paul Weaver, Chairman	Stephen A. Briganti, President and CEO
Gary E. Kelley, Secretary, Vice President and Controller	
Karl Anderson, Vice President of Administration	Sam Daniel, Vice President of Technology
Daniel Keefe, Vice President of Advancement	Elad Rosin, Director of Finance
Peg Zitko, Vice President of Public Relations	

Governance

Members of the Board of Directors except for Mr. Briganti serve without compensation for their services.

The Board of Directors established “Charters” for committees of the Board. These Committees and Charters consist of: Audit Committee; Compensation Committee; Executive Committee; Finance and Endowment Committee; Nominations and Governance Committee and Ellis Island Family Heritage Awards Committee.

Policy Statements of the Board of Directors consist of: Conflict of Interest Policy; Designation of Persons to Exercise Authority for Financial Transactions; Accounting Records and Internal Control; Non-monetary Gifts; Equal Employment Opportunity; Investment Policy; Records Retention Policy and Whistle Blower Policy.

Financial and Compliance Reporting

>The Foundation engages an independent auditor to examine and issue an opinion of the financial statements of the Foundation.

>The Foundation files “Form 990 Return of Organization Exempt from Income Tax” and related schedules with the Internal Revenue Service and such individual states or commonwealths that either require a “charitable organization” filing or a “foreign corporation” filing to do fund raising activities in such state or commonwealth.

>The Foundation is exempt from paying New York and New Jersey sales and use tax on goods or services used for the organization’s own use. The Foundation does collect and remit to New York State such sales and use tax collected on sales from the Foundation’s web and store activity that are subject to such taxation.

>A quarterly report is filed with the Director of the National Park Service regarding the Foundation’s activities for the quarter. Courtesy copies are also provided to the Attorney General of New York State and the BBB Wise Giving Alliance.

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Mission, Background and Programs

The Statue of Liberty-Ellis Island Foundation, Inc. (the "Foundation") is a not-for-profit organization incorporated under the laws of the State of Delaware. The Internal Revenue Service has determined that the Foundation is exempt from income taxes under Section 501C(3) of the Internal Revenue Code. Our Federal identification number is 13-3118415.

Mission: To restore and preserve the Statue of Liberty National Monument, which includes, in addition to the Statue itself, Ellis Island and its Museum of Immigration; Custody and control of records, relics and other things of historic interest related to the Statue of Liberty and the millions of immigrants who entered the United States via Ellis Island; To foster, promote and stimulate public knowledge of and interest in the history of the Statue of Liberty and Ellis Island.

The National Park Service (NPS), a unit of the United States Department of the Interior, operates both the Statue of Liberty and Ellis Island (the "Monument") and has accepted grants pursuant to an agreement dated October 14, 1983 and subsequent agreements with the Foundation for the restoration and preservation of the Monument.

Background: The first projects of the Foundation from 1982 until 1992 included the restoration of the Statue of Liberty, upgrade of Liberty Island, the preservation of the main building on Ellis Island, upgrading Castle Clinton, and establishment of the Statue of Liberty Museum and the 220,000 square foot Ellis Island Immigration Museum (which has had 35 million visitors since opening). The Foundation also produced the Statue's 100th anniversary Liberty Weekend, in July 1986, viewed on television by 1.5 billion people in 51 countries around the world. In addition, contributors were promised the establishment of an endowment to provide the NPS with help with maintenance and to provide for the enhancement of visitors' experience.

In 1992 the Foundation launched a project campaign for the restoration and adaptation of the "kitchen and laundry" building, the "bakery and carpentry" building and the "shop" building on Ellis Island. This allowed the museum to expand and establish the Oral History Studio, the Library, Living Theater, Children's Orientation Center and the changing Exhibition Center. It also established new offices for the employees of the NPS.

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During 1995 to 2001 the Foundation stepped forward to create the American Family Immigration History Center ® on Ellis Island and the Internet. The Center contains computerized immigration records (manifests) of 25 million people who arrived in America through the Port of New York between 1892 and 1924. Also pictures of the ships they arrived on – 500 million pieces of information. The Center at Ellis Island has served over 600,000 people from April 2001 to the present and the web site has received over 12 billion hits in the same time period.

In 2004 the Foundation spearheaded a campaign to make critical safety upgrades to the Statue of Liberty, which was closed to the public after 9/11/01. The Foundation successfully raised the necessary funds and managed the construction work so that the National Park Service/U.S. Department of the Interior could reopen Lady Liberty's doors to the public on August 3, 2004.

In 2007, the Foundation initiated a campaign for The Peopling of America ® Center (the "Center"). The Center will expand upon the story currently told of the Ellis Island Years (1892-1954) by including the story of those who arrived before Ellis Island and after, right up to the present, becoming citizens, and altering the demographic landscape of America. The Center will follow the arc of the American experience: from immigration, to assimilation, to citizenship, played out in every generation, past, present and future. It will thematically and programmatically expand the Ellis Island Immigration Museum by educating visitors (physically at Ellis Island, and through the Internet) on immigration and citizenship that make up the American experience.

The fundraising effort for The Peopling of America® Center continued during the 2009-2010 fiscal year, bringing the project to approximately 90% of its goal. In the meantime, the final exhibit designs were approved by the Foundation, History Advisory Committee and the National Park Service and a 2-volume 100% Final Design document (Physical and Graphic Design and Media Design) was created for the purpose of securing bids for the Center's contractors. Actual construction and fabrication are scheduled to begin by late summer 2010.

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Specific Programs of the Foundation include:

The American Family Immigration History Center ® at Ellis Island and www.ellisland.org features an electronic database containing valuable information on 25 million immigrants, passengers and crewmembers that entered the United States through the Port of New York between 1892-1924, the peak years of Ellis Island's processing.

The American Immigrant Wall of Honor ® is a permanent exhibit of individual and family names featured at Ellis Island in New York Harbor. It is the only place in the country where an individual can honor his or her family's heritage at a national monument. Names also can be viewed at www.wallofhonor.org.

Endowment Grants for NPS projects: Projects requested by the National Park Service and agreed to by the Foundation for items related to improving or maintaining the visitors' experience including such items as curatorial activities, conservation of artifacts related to an exhibit, visitor aids and visitor enhancements. A special annual project is the Ellis Island Living Theatre which presents 30 minute original plays that dramatize the immigrant experience, based on recollections from the Oral History Archive and performed by professional actors seven times daily from March-October.

Public Awareness and Education: Includes projects such as Teacher Guides for the Statue of Liberty; Teacher Guides for Ellis Island, history advisory committee publications on immigration and genealogy, publications of research books/stories on immigration and migration in the United States or how to research immigrants to the United States.

Ellis Island Family Heritage Awards: The Ellis Island Family Heritage Awards were instituted in celebration of the launch of the American Family Immigration History Center® on April 17, 2001. Each year a select number of Ellis Island immigrants or their descendants are chosen to be honored. By presenting a copy of the original ship's passenger manifest documenting their, or their ancestors', arrival at Ellis Island, we reflect on their journey, their courage and determination, and honor the unique contribution they have made to this "Nation of Immigrants". In addition, the Peopling of America ® Award was instituted in 2004 to celebrate the life and work of an individual who immigrated to America at another time and/or through a different entry point than the Port of New York and Ellis Island. Honorees are selected through a process that is guided by an Awards Committee of the Foundation's Board of Directors.

The Foundation's newest program, currently under development, is The Peopling of America® Center which will be an expansion of the Ellis Island Immigration Museum to tell the story of those who arrived to America from its earliest days before the Ellis Island era as well as those who came after World War II and right up to the present. Fundraising continues, bringing us to 90% of our goal. At the request of the National Park Service, the Center was re-designed and will now allow all of the Center's galleries to be housed on the museum's first floor. These new final construction designs have been approved in preparation for construction and fabrication to commence by Fall 2010.

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Summarized Financial Information
(A complete financial report may be obtained by contacting the Foundation)
Year Ended March 31

\$'s in thousands	<u>2008</u>	<u>2009</u>	<u>2010</u>
Contributions	\$ 5,095	\$ 3,466	\$ 2,637
Program and other revenue	\$ 1,513	\$ 1,424	\$ 2,261
Interest/Dividend income	\$ 1,036	\$ 1,019	\$ 551
Net realized/unrealized (loss) gain on investments	\$ (957)	\$ (9,199)	\$ 9,675
Total Support, Revenue and Gains (Losses)	<u>\$ 6,687</u>	<u>\$ (3,290)</u>	<u>\$ 15,124</u>

Program: Restoration & Preservation Expenses	\$ 1,821	\$ 1,235	\$ 703
Program: American Family Immigration History Center ®	\$ 2,498	\$ 2,207	\$ 2,132
Program: Public Awareness, Education, Family History	\$ 560	\$ 404	\$ 517
Program: Peopling of America ®	\$ 214	\$ 2,007	\$ 747
Fund Raising Expenses	\$ 539	\$ 486	\$ 633
Management & General Expenses	\$ 1,249	\$ 1,009	\$ 807
Total Expenses	<u>\$ 6,881</u>	<u>\$ 7,348</u>	<u>\$ 5,539</u>

Statement of Cash Flows	<u>2008</u>	<u>2009</u>	<u>2010</u>
Cash flows from operating activities:			
Change in net assets	\$ (194)	\$ (10,638)	\$ 9,585
Adjustments to reconcile change in net assets			
Realized and unrealized (gains) losses securities	\$ 950	\$ 9,197	\$ (9,675)
Depreciation and amortization	\$ 374	\$ 355	\$ 302
Other changes	\$ -	\$ -	\$ 3
Changes in operating assets and liabilities:			
Increases in receivables	\$ 387	\$ 372	\$ (194)
Decrease (increase) in other assets	\$ (67)	\$ 9	\$ (53)
Increases (decrease) in accounts payable/expenses	\$ 187	\$ (83)	\$ 22
Net Cash provided by operating activities	<u>\$ 1,637</u>	<u>\$ (788)</u>	<u>\$ (10)</u>
Cash flows from investing activities:			
Purchase of property and equipment	\$ (349)	\$ 10	\$ (17)
Sales of Investments	\$ 3,198	\$ 31,491	\$ 3,205
Purchases of investments	\$ (4,434)	\$ (29,697)	\$ (3,713)
Net cash used in investing activities	<u>\$ (1,585)</u>	<u>\$ 1,804</u>	<u>\$ (525)</u>
Net increase (decrease) in cash	\$ 52	\$ 1,016	\$ (535)
Cash at beginning of year	\$ 235	\$ 287	\$ 1,303
Cash at end of year	<u>\$ 287</u>	<u>\$ 1,303</u>	<u>\$ 768</u>

Net Assets			
Unrestricted general fund	\$ 426	\$ (228)	\$ 36
Unrestricted board-designated endowment fund	\$ 32,679	\$ 23,219	\$ 32,629
Temporarily restricted	\$ 3,884	\$ 3,360	\$ 3,272
Total ending net assets	<u>\$ 36,989</u>	<u>\$ 26,351</u>	<u>\$ 35,937</u>

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Informational Counts of Activity
Year Ended March 31

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Visitors to Liberty Island	2,688,370	2,816,989	3,148,111
Visitors to www.statueofliberty.org	<u>www.statueofliberty.org</u>		
Page Views	1.2 million	1.2 million	846,111
Visits	678,153	703,639	494,715
Unique Visitors	620,817	645,030	459,379
Visitors to Ellis Island	1,723,285	1,840,160	2,019,314
Visitors to American Family Immigration History Center® at Ellis Island			
Visitors	110,024	133,064	108,064
Visitors to American Family Immigration History Center® c www.ellisland.org	<u>www.ellisland.org</u>		
Page Views	95.9 million	91.1 million	91.6 million
Visits	5.5 million	5.3 million	5.5 million
Unique Visitors	4 million	3.8 million	4.0 million
Visitors to Live Theatre at Ellis Island			
Admissions	46,146	45,404	33,086
American Immigrant Wall of Honor ® at Ellis Island			
Enrollees	3,197	1,279	1,394
American Immigrant Wall of Honor ® at www.wallofhonor.org	<u>www.wallofhonor.org</u>		
Page Views	1,267,827	819,174	909,566
Visits	184,148	118,201	146,912
Unique Visitors	166,894	106,849	131,449
Peopling of America ® at www.peoplingofamerica.org	<u>www.peoplingofamerica.org</u>		
Page Views	2,450	14,327	160,172
Visits	878	5,675	78,222
Unique Visitors	748	5,068	71,308
Customer and Donor Services			
E-Mail Received	47,352	21,554	31,097
Direct Mail Received	41,192	31,483	28,615
Audio Tours - Liberty and Ellis Island's	n.a.	n.a.	357,389
n.a. Not conducted			
Number of employees per pay period March 12	41	29	32
High number of employees pay period July 4	42	42	46