

THE STATUE OF LIBERTY-ELLIS ISLAND FOUNDATION, INC.

17 Battery Place #210
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, 2009

The Statue of Liberty-Ellis Island Foundation, Inc.

Year in Review

The 2008-2009 fiscal year brought the official announcement of The Peopling of America® Center Campaign at a press conference in the Great Hall at Ellis Island on September 24. Secretary of the Interior, Dirk Kempthorne participated and announced that \$2.3 million have been committed to the Center as part of the National Park Service Centennial Challenge Initiative, and the Bank of America Charitable Foundation has provided \$1.5 million in matching funds, along with a \$1 million match by the Annenberg Foundation. The event also featured a naturalization ceremony during which twelve immigrants, all members of the Armed Forces, were sworn in as new American citizens.

Fundraising for the Peopling of America® Center has continued and expanded. Major pledges and gifts have been received, bringing us to approximately 75% of our goal. The Foundation's History Advisory Committee and the National Park Service approved the Final Content Guidelines for the Center's exhibits and, with the Foundation, directed Edwin Schlossberg Inc.(ESI), the Center's designer, to prepare the 2-volume 100% Final Design document (Physical and Graphic Design and Media Design).

We conceived and developed 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 envisioned as a major fundraising device to be launched in Spring 2009, will also become a central exhibit in the Peopling Center.

We also launched new self-guided audio tours for the Statue of Liberty and Ellis Island, produced by award-winning Discovery Audio and available in nine languages. A portion of the proceeds will help 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: Thomas L. Strickland, Assistant Secretary for Fish, Wildlife and Parks, U.S. Department of the Interior. We welcome Tom to the Board.

The Foundation's annual Ellis Island Family Heritage Awards were presented in the Great Hall of Ellis Island on May 19, 2009. Awards were given to football legend Joe Namath, Nobel Prize-winner Dr. Eric R. Kandel, award-winning comedian and actor Jerry Seinfeld and world famous musicians and producers, Gloria and Emilio Estefan.

Sincerely,

Paul E. Weaver
Chairman of the Board

Stephen A. Briganti
President and Chief Executive Officer

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Officers

Paul Weaver

Paul Weaver, Chairman
Gary E. Kelley, Secretary, Vice President and Controller
Karl Anderson, Vice President of Administration
Daniel Keefe, Vice President of Advancement
Peg Zitko, Vice President of Public Relations

Stephen A. Briganti, President and CEO
Sam Daniel, Vice President of Technology
Connie Saienga, Vice President of Finance

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 consists 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 25 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 2008-2009 fiscal year, bringing the project to approximately 75% of its goal. In the meantime, the Foundation's History Advisory Committee and the National Park Service, working closely with the museum designer, approved the Final Content Guidelines for the Center's exhibits.

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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: The Foundation launched new audio tours for the Statue of Liberty and Ellis Island, including tours designed especially for children that provide a lively, interactive experience through the use of animal characters. The tours are available in nine languages, can be tailored to the visitor's interests and time and make a visit much more informative and engaging. Other projects include 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 and final exhibit

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designs have been approved in preparation for construction and fabrication to begin by Fall 2009. The American Flag of Faces™ exhibit was conceived to be launched in Spring 2009 as 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. It will also become a central exhibit in the Peopling Center.

Listed below are a partial listing of the Foundation's Marks and Names registered with the U.S. Trademark Office:

(name) American Family Immigration History Center ®
Registration Number 2,568,644 Classes 35, 36, 41 and 42

(circle logo) AFIHC logo with "Ellis Island U.S.A." on top and "Statue of Liberty-Ellis Island Foundation, Inc." ®
Registration Number 2,872,046 (Serial Number 76/154,972) Classes 35, 36, 41, 42

(rectangle logos-two) Liberty-Ellis Island logo(s) next to each other, each in outlined box.
Registration Number 2,504,017 Class 36

(name) KEEP THE TORCH LIT ®
Registration Number 1,317,289 Class 36

(name) THE AMERICAN IMMIGRANT WALL OF HONOR) ®
Registration 1,705,396 (Serial Number 74/182,113) Class 36 and 41

(name) PEOPLING OF AMERICA ®
Registration 1,688,495 (Serial Number 74/027,794) Class 36

(name) TREASURES FROM HOME ®
Registration 1,689,478 (Serial Number 74/027,795) Class 41

(name) REMEMBER THE DREAM ®
Registration 1,689,478 (Serial Number 74/027,795) Class 41

(name) PEOPLING OF AMERICA FLAG OF FACES ®
Registration pending. (June 4, 2008) Class 41

(name-logo) PEOPLING OF AMERICA (LOGO) CENTER ®

(name-logo) THE PEOPLING OF AMERICA CENTER AT THE ELLIS ISLAND
IMMIGRATION MUSEUM

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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>2007</u>	<u>2008</u>	<u>2009</u>
Contributions	\$ 3,409	\$ 5,095	\$ 3,466
Program and other revenue	\$ 1,456	\$ 1,513	\$ 1,424
Interest/Dividend income	\$ 1,006	\$ 1,036	\$ 1,019
Net realized/unrealized (loss) gain on investments	\$ 2,095	\$ (957)	\$ (9,199)
Total Support, Revenue and Gains (Losses)	<u>\$ 7,966</u>	<u>\$ 6,687</u>	<u>\$ (3,290)</u>
Program: Restoration & Preservation Expenses	\$ 1,805	\$ 1,821	\$ 1,235
Program: American Family Immigration History Center ®	\$ 2,336	\$ 2,498	\$ 2,207
Program: Public Awareness, Education, Family History	\$ 586	\$ 560	\$ 404
Program: Peopling of America ®	\$ -	\$ 214	\$ 2,007
Fund Raising Expenses	\$ 694	\$ 539	\$ 486
Management & General Expenses	\$ 1,053	\$ 1,249	\$ 1,009
Total Expenses	<u>\$ 6,474</u>	<u>\$ 6,881</u>	<u>\$ 7,348</u>
Statement of Cash Flows	<u>2007</u>	<u>2008</u>	<u>2009</u>
Cash flows from operating activities:			
Change in net assets	\$ 1,492	\$ (194)	\$ (10,638)
Adjustments to reconcile change in net assets			
Realized and unrealized (gains) losses securities	\$ (2,095)	\$ 950	\$ 9,197
Depreciation and amortization	\$ 330	\$ 374	\$ 355
Changes in operating assets and liabilities:			
Increases in receivables	\$ (1,085)	\$ 387	\$ 372
Decrease (increase) in other assets	\$ (35)	\$ (67)	\$ 9
Increases (decrease) in accounts payable/expenses	\$ 233	\$ 187	\$ (83)
Net Cash provided by operating activities	<u>\$ (1,160)</u>	<u>\$ 1,637</u>	<u>\$ (788)</u>
Cash flows from investing activities:			
Purchase of property and equipment	\$ (86)	\$ (349)	\$ 10
Sales of Investments	\$ 33,985	\$ 3,198	\$ 31,491
Purchases of investments	\$ (32,794)	\$ (4,434)	\$ (29,697)
Net cash used in investing activities	<u>\$ 1,105</u>	<u>\$ (1,585)</u>	<u>\$ 1,804</u>
Net increase (decrease) in cash	\$ (54)	\$ 52	\$ 1,016
Cash at beginning of year	\$ 289	\$ 235	\$ 287
Cash at end of year	<u>\$ 235</u>	<u>\$ 287</u>	<u>\$ 1,303</u>
Net Assets			
Unrestricted general fund	\$ 578	\$ 426	\$ (228)
Unrestricted board-designated endowment fund	\$ 34,759	\$ 32,679	\$ 23,219
Temporarily restricted	\$ 1,847	\$ 3,884	\$ 3,360
Total ending net assets	<u>\$ 37,184</u>	<u>\$ 36,989</u>	<u>\$ 26,351</u>

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Informational Counts of Activity
Year Ended March 31

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Visitors to Liberty Island	2,503,895	2,688,370	2,816,989
Visitors to www.statueofliberty.org	<u>www.statueofliberty.org</u>		
Visitors	383,263	620,817	645,030
Visitors to Ellis Island	1,674,779	1,723,285	1,840,160
Visitors to American Family Immigration History Center® at Ellis Island			
Visitors	109,800	110,024	133,064
Visitors to American Family Immigration History Center® c www.ellisland.org	<u>www.ellisland.org</u>		
Visitors	4.8 million	4 million	3.8 million
Visitors to Live Theatre at Ellis Island			
Admissions	54,768	46,146	45,404
American Immigrant Wall of Honor ® at Ellis Island			
Enrollees	3,298	3,197	1,279
American Immigrant Wall of Honor ® at www.wallofhonor.org	<u>www.wallofhonor.org</u>		
Visitors	96,991	166,894	106,849
Peopling of American ® at www.peoplingofamerica.org	<u>www.peoplingofamerica.org</u>		
Visitors	1,029	748	5,068
Customer and Donor Services			
E-Mail Received	129,159	47,352	21,554
Direct Mail Received	40,472	41,192	31,483
Number of employees per pay period March 12	33	41	29
High number of employees pay period July 4	45	42	42