

**JACKIE ROBINSON FOUNDATION, INC.**

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**Financial Statements and Additional Data  
For the Year Ended June 30, 2008  
(With Comparative Totals for 2007)  
With Report of Independent Auditors**

**JACKIE ROBINSON FOUNDATION, INC.**  
June 30, 2008  
(With Comparative Totals for 2007)

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## REPORT OF INDEPENDENT AUDITORS

The Board of Directors  
Jackie Robinson Foundation, Inc.

We have audited the accompanying statement of financial position of Jackie Robinson Foundation, Inc. (the “Foundation”) as of June 30, 2008, and the related statements of activities and of cash flows for the year then ended. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Foundation’s 2007 financial statements, and in our report dated November 30, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation’s internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jackie Robinson Foundation, Inc. as of June 30, 2008, and the change in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.



October 16, 2008

**JACKIE ROBINSON FOUNDATION, INC.**

Statement of Financial Position

As of June 30, 2008

(With Comparative Totals for 2007)

	2008			2007
	Operating	Endowment	Total	Total
<b>ASSETS</b>				
Cash and cash equivalents (Note 3)	\$ 507,714	\$ -	\$ 507,714	\$ 45,958
Investments (Note 7)	1,778	9,776,599	9,778,377	10,443,929
Pledges receivable, net (Note 6)	9,002,411	-	9,002,411	4,010,898
Interfund receivable (payable)	(1,206,305)	1,206,305	-	-
Other receivables—net of allowance for uncollectible receivables of \$92 and \$25,092 in 2008 and 2007, respectively	34,917	13,910	48,827	33,874
Prepaid expenses	109,368	-	109,368	33,194
Inventory—merchandise and coins	55,282	-	55,282	50,456
Security deposits	14,321	-	14,321	355,574
Property and equipment—net (Note 4)	<u>4,003,598</u>	<u>-</u>	<u>4,003,598</u>	<u>582,209</u>
<b>Total assets</b>	<b><u>\$ 12,523,084</u></b>	<b><u>\$ 10,996,814</u></b>	<b><u>\$ 23,519,898</u></b>	<b><u>\$ 15,556,092</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<i>Liabilities:</i>				
Accounts payable and accrued expenses	\$ 182,879	\$ -	\$ 182,879	\$ 239,972
Advance payable	75,000	-	75,000	85,100
Deferred rent obligation (Note 9)	782,053	-	782,053	194,559
Credit line payable (Note 8)	<u>3,846,110</u>	<u>-</u>	<u>3,846,110</u>	<u>-</u>
Total liabilities	<u>4,886,042</u>	<u>-</u>	<u>4,886,042</u>	<u>519,631</u>
<i>Net Assets:</i>				
Unrestricted:				
Board-designated endowment	-	5,790,208	5,790,208	6,186,879
Undesignated balance	<u>(1,700,217)</u>	<u>-</u>	<u>(1,700,217)</u>	<u>64,309</u>
Total unrestricted	(1,700,217)	5,790,208	4,089,991	6,251,188
Temporarily restricted (Note 11)	<u>9,337,259</u>	<u>5,206,606</u>	<u>14,543,865</u>	<u>8,785,273</u>
Total net assets	<u>7,637,042</u>	<u>10,996,814</u>	<u>18,633,856</u>	<u>15,036,461</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 12,523,084</u></b>	<b><u>\$ 10,996,814</u></b>	<b><u>\$ 23,519,898</u></b>	<b><u>\$ 15,556,092</u></b>

The accompanying notes are an integral part of these financial statements.

**JACKIE ROBINSON FOUNDATION, INC.**

Statement of Activities

For the Year Ended June 30, 2008

(With Comparative Totals for 2007)

	2008			2007
	Unrestricted	Temporarily Restricted	Total	Total
<b>PUBLIC SUPPORT AND REVENUE</b>				
<i>Public Support:</i>				
Fundraising events	\$ 1,129,045	\$ -	\$ 1,129,045	\$ 1,430,246
Less: costs of events	<u>720,253</u>	<u>-</u>	<u>720,253</u>	<u>794,486</u>
Fundraising events—net (Note 13)	408,792	-	408,792	635,760
Contributions and grants	2,842,871	1,829,056	4,671,927	3,161,324
Legacy campaign	-	5,009,911	5,009,911	1,892,499
Endowment campaign	-	339,247	339,247	607,627
<i>Revenue:</i>				
Investment income	591,258	-	591,258	492,360
Net realized and unrealized (loss) gain on investments	(1,080,651)	-	(1,080,651)	922,064
Other income	<u>629</u>	<u>-</u>	<u>629</u>	<u>103,379</u>
	2,762,899	7,178,214	9,941,113	7,815,013
Net assets released from restriction:				
Time restriction satisfied	<u>1,419,622</u>	<u>(1,419,622)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>4,182,521</u>	<u>5,758,592</u>	<u>9,941,113</u>	<u>7,815,013</u>
<b>EXPENSES</b>				
<i>Program Services:</i>				
Education and leadership development	3,326,880	-	3,326,880	2,837,177
Public information	523,183	-	523,183	436,739
Archives	<u>187,474</u>	<u>-</u>	<u>187,474</u>	<u>131,552</u>
Total program services	4,037,537	-	4,037,537	3,405,468
<i>Supporting Services:</i>				
Management and general	651,094	-	651,094	553,981
Fundraising	<u>1,141,805</u>	<u>-</u>	<u>1,141,805</u>	<u>932,765</u>
Total expenses before museum development cost:	5,830,436	-	5,830,436	4,892,214
Museum development costs (note 14)	<u>513,282</u>	<u>-</u>	<u>513,282</u>	<u>-</u>
Total expenses	<u>6,343,718</u>	<u>-</u>	<u>6,343,718</u>	<u>4,892,214</u>
Change in net assets	(2,161,197)	5,758,592	3,597,395	2,922,799
Net assets, beginning of year	<u>6,251,188</u>	<u>8,785,273</u>	<u>15,036,461</u>	<u>12,113,662</u>
<b>Net assets, end of year</b>	<u>\$ 4,089,991</u>	<u>\$ 14,543,865</u>	<u>\$ 18,633,856</u>	<u>\$ 15,036,461</u>

The accompanying notes are an integral part of these financial statements.

**JACKIE ROBINSON FOUNDATION, INC.**

## Statement of Cash Flows

For the Year Ended June 30, 2008

(With Comparative Figures for 2007)

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,597,395	\$ 2,922,799
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	222,576	16,600
Bad debts	148,958	-
Loss (gain) on investments and disposal of fixed assets	1,088,720	(922,064)
Donated securities	(20,997)	(512,945)
(Increase) in pledges receivable	(4,991,513)	(1,334,784)
(Increase) decrease in other receivables	(14,953)	19,639
(Increase) in prepaid expenses	(76,174)	(21,328)
(Increase) in inventory-merchandise	(2,670)	(1,012)
(Decrease) increase in advance payable	(10,100)	85,100
Increase in deferred rent obligation	587,494	194,559
(Decrease) in accounts payable and accrued expenses	<u>(57,093)</u>	<u>(108,642)</u>
Net cash provided by operating activities	<u>471,643</u>	<u>337,922</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,207,587	2,052,209
Purchases of investments	(2,749,427)	(1,679,747)
Purchases of property and equipment	(3,655,410)	(578,353)
Security deposits paid	-	(333,855)
Security deposits released	<u>341,253</u>	<u>-</u>
Net cash used by investing activities	<u>(3,855,997)</u>	<u>(539,746)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Line of Credit	4,146,110	
Repayment on Line of Credit	<u>(300,000)</u>	<u>-</u>
Net cash used by financing activities	<u>3,846,110</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	461,756	(201,824)
Cash and cash equivalents, beginning of year	<u>45,958</u>	<u>247,782</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 507,714</u>	<u>\$ 45,958</u>
<b>Supplementary disclosure:</b>		
The Foundation received contributions in the form of corporate stocks	<u>\$ 20,997</u>	<u>\$ 512,945</u>
Cash paid for interest	<u>\$ 96,686</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

# **JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

June 30, 2008

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## **NOTE 1 ORGANIZATION AND OPERATIONS**

Jackie Robinson Foundation, Inc. (the “Foundation”) is a publicly supported, not-for-profit national organization established in 1973. It was founded in commemoration of Jackie Robinson, a superb athlete and a man dedicated to the struggle for social, economic, and political justice for all. Its programs are concentrated in the areas of supplemental education, youth mentoring, and tuition assistance. In addition, the Foundation serves as an advocate for the rights and interests of minority youth and, in a broader sense, their families and their community.

The Foundation is a public charity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

## **NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are presented in conformity with accounting principles generally accepted in the United States for nonprofit organizations. Accordingly, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

### Revenue Recognition

Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

June 30, 2008

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**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Contributions and Pledges Receivable

Contributions and pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate applicable to the year in which the contribution is made. Amortization of the discount is included in contribution revenue.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments are carried at the quoted market value of the securities. Realized and unrealized gains and losses are included in the statement of activities as increases or decreases in the unrestricted class of net assets, unless donor or relevant laws place temporary or permanent restrictions on these gains and losses. For purposes of determining the gain or loss on a sale, the cost of securities sold is based on the average cost of each security held at the date of sale.

Property and Equipment

Property and equipment are recorded at cost or the fair market value at date of donation. Depreciation of furniture and equipment is provided for on a straight line basis over the estimated useful lives of the respective assets, while leasehold improvements are amortized over their estimated useful lives or the term of the lease, whichever is shorter.

Inventory

Inventory consists primarily of Jackie Robinson coins, transit checks, and merchandise for the Jazz Festival, which is stated at fair value.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

June 30, 2008

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**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Foundation have been summarized on a functional basis in the statement of activities, which includes all expenses incurred for the year. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions In-kind

Contributions in-kind are reflected in the financial statements at the estimated fair value at time of donation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Data

The amounts shown for the year ended June 30, 2007, in the accompanying financial statements are included to provide a basis for comparison with 2008 and present summarized totals only. Accordingly, the 2007 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States.

**NOTE 3**      **CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents in financial institutions. At June 30, 2008, cash and cash equivalents exceeded federally insured limits. Management regularly monitors the Foundation's cash balances with a view to minimizing its credit risk.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

June 30, 2008

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**NOTE 4 PROPERTY AND EQUIPMENT**

A summary of property and equipment as of June 30, 2008 and 2007, is as follows:

	<u>2008</u>	<u>2007</u>
Leasehold improvements	\$ 2,844,750	\$ 54,457
Furniture and equipment	639,380	380,448
Computer software	11,666	-
Artwork	<u>45,700</u>	<u>12,652</u>
Total	3,541,496	447,557
Less: Accumulated depreciation and amortization	<u>226,962</u>	<u>427,846</u>
Total	3,314,534	19,711
Construction in progress	<u>689,064</u>	<u>562,498</u>
Property and Equipment—net	<u>\$ 4,003,598</u>	<u>\$ 582,209</u>

Depreciation and amortization expense for the years ended June 30, 2008 and 2007, was \$222,576 and \$16,600, respectively.

**NOTE 5 BOARD-DESIGNATED ENDOWMENT**

The Board of Directors established a permanent endowment in 1986, specifying that the capital of the endowment would be retained and invested; there would be no withdrawal of capital except upon approval of the Board; and the earnings from the endowment's investments may be used upon the approval of the Board for the operations of the Foundation.

In 1992, the Board established an endowed scholarship fund that was started with contributions from Foundation alumni, specifying that the capital of the endowment would be retained and invested and that the earnings from the endowment's investments would be used to provide four-year scholarships through the Foundation's programs.

In 1996, the Board of Directors established the Spike Lee Youth Motivation Achievement Award Fund and resolved that the Fund be used to support an annual cash award to a Foundation scholar with the most outstanding community service involvement.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

June 30, 2008

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**NOTE 5 BOARD-DESIGNATED ENDOWMENT** *(continued)*

In 2001, the Board agreed to segregate the commemorative coin surcharge income within the permanent endowment fund.

The endowments as of June 30, 2008 and 2007, consisted of the following net asset balances:

	<u>2008</u>	<u>2007</u>
Permanent endowment fund	\$ 3,309,591	\$ 3,312,767
Commemorative coin fund	2,480,617	2,874,112
Endowed scholarship fund	5,130,611	5,420,278
Spike Lee Youth Motivation Achievement Award Fund	<u>75,995</u>	<u>83,196</u>
Total	<u>\$ 10,996,814</u>	<u>\$ 11,690,353</u>

**NOTE 6 CONTRIBUTIONS AND PLEDGES RECEIVABLE**

Contributions and pledges receivable at June 30, 2008, consisted of amounts to be received during the years as follows:

Pledges receivable due within 1 year	\$ 2,586,458
Pledges receivable due within 1 to 5 years	6,027,000
Pledges receivable after 5 years	<u>1,704,000</u>
	10,317,458
Present value discount	(1,144,589)
Allowance for uncollectible accounts	<u>(170,458)</u>
Total contributions and pledges receivable—net	<u>\$ 9,002,411</u>

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

June 30, 2008

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**NOTE 7 INVESTMENTS**

Investments held by the Foundation at June 30, 2008 and 2007, consisted of the following:

	<u>2008</u>	<u>2007</u>
At fair value:		
US government obligations	\$ 961,682	\$ 1,178,936
Corporate stocks	3,183,246	3,845,720
Corporate bonds	370,693	347,796
Mutual funds	3,472,725	4,844,873
Alternative investments	1,500,000	-
Money market	<u>290,031</u>	<u>226,604</u>
Total investments	<u>\$ 9,778,377</u>	<u>\$ 10,443,929</u>

The composition of investments at June 30, 2008 and 2007, was as follows:

Operating	\$ 1,778	\$ 1,778
Endowment	<u>9,776,599</u>	<u>10,442,151</u>
Total investments	<u>\$ 9,778,377</u>	<u>\$ 10,443,929</u>

As discussed in Notes 8 and 9 to the financial statements, the Foundation's investments provide collateral for the line of credit and lease security deposit of \$4,896,110 and \$1,033,856 in 2008 and 2007, respectively.

**NOTE 8 LINE OF CREDIT PAYABLE**

The Foundation has a revolving line of credit with a bank under which the Foundation may borrow on a secured basis an amount equal to the minimum value of its pledge collateral at the bank's LIBOR rate plus 50 basis points, which was 2.97% at June 30, 2008. The amount outstanding under this line of credit at June 30, 2008, was \$3,846,110. The Foundation's investments provide collateral for this line of credit.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

June 30, 2008

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**NOTE 9      COMMITMENTS**

On February 20, 2007, the Foundation entered into a noncancellable lease agreement for its administrative offices and to provide space for a museum and education center. The lease contains provisions for future rent increases and rent-free periods, during which times rent payments are abated. The commencement date of this lease was May 1, 2007, through April 30, 2027. The total amount of rental payments due over the lease period is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to "Deferred rent obligation."

The future minimum annual rental payments are as follows:

<u>Year</u>	<u>Base Rental Payments</u>
2009	\$ 1,039,432
2010	1,039,432
2011	1,039,432
2012	1,060,153
2013	1,245,000
Thereafter	<u>17,343,749</u>
Total minimum lease payment	<u>\$ 22,767,198</u>

The lease agreement also provides for a security of \$1,033,856, which is evidenced by a letter of credit collateralized by the Foundation's investments. The security amount decreases periodically over a 15-year period to an amount of \$250,000.

The future minimum annual rental payments are subject to escalations for real estate taxes and certain maintenance costs.

During fiscal years 2008 and 2007, the Foundation's rent expense was \$1,243,110 and \$490,531, net of sub-lease rent income of \$7,592 in 2007.

**NOTE 10      CONTRIBUTION IN-KIND**

The Foundation established an office in Los Angeles, California, as a base for its west coast operations. The office space is provided by a member of the Board of Directors as an in-kind contribution. The office space has a fair value of \$21,000 which is accounted for in the financial statements as rent expense and contribution revenue.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

June 30, 2008

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**NOTE 11      TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets of \$14,543,865 and \$8,785,273 at June 30, 2008 and 2007, respectively, are available to support the museum, education, and leadership development program services.

**NOTE 12      RETIREMENT PLAN**

In 1991, the Foundation established the Jackie Robinson Foundation Defined Contribution Retirement Plan and a Tax-Deferred Annuity Plan pursuant to Section 403(b) of the Internal Revenue Code.

The retirement plan is a noncontributory, defined contribution plan covering all eligible employees working at the rate of at least 1,000 hours per year who have completed one year of employment. The Foundation contributes an amount equal to 6% of the participating employee's base salary. Additional amounts may be voluntarily contributed under a salary reduction agreement to the tax-deferred supplemental annuity plan.

During fiscal years 2008 and 2007, the Foundation's retirement plan expense was \$63,894 and \$56,023, respectively.

**NOTE 13      FUNDRAISING EVENTS**

Fundraising events in 2008 were as follows:

	Award <u>Dinner</u>	LA Jazz <u>Concert</u>	<u>Other</u>	2008 <u>Total</u>	2007 <u>Total</u>
Support	\$ 994,127	\$ 124,918	\$ 10,000	\$1,129,045	\$ 1,430,246
Less: Costs of fundraising events	<u>586,913</u>	<u>91,418</u>	<u>41,923</u>	<u>720,253</u>	<u>794,486</u>
Fundraising events - net	<u>\$ 407,214</u>	<u>\$ 33,500</u>	<u>\$ (31,923)</u>	<u>\$ 408,792</u>	<u>\$ 635,760</u>

**JACKIE ROBINSON FOUNDATION, INC.**  
Notes to Financial Statements  
June 30, 2008

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**NOTE 14 MUSEUM DEVELOPMENT COST**

The Foundation is in the process of building the Jackie Robinson Museum to expand the scope of its outreach in continuing Jackie Robinson's legacy. During the year ended June 30, 2008, the Foundation incurred \$513,282 in rental cost for the space designated for the museum. Other costs incurred for the construction of museum were capitalized as "construction in progress."