

JACKIE ROBINSON FOUNDATION, INC.

**Financial Statements and Additional Data
For the Year Ended June 30, 2010
(With Comparative Totals for 2009)
With Report of Independent Auditors**

JACKIE ROBINSON FOUNDATION, INC.
For the Year Ended June 30, 2010
(With Comparative Totals for 2009)

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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, 2010, 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 2009 financial statements, and in our report dated October 20, 2009, 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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, 2010, 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.



September 13, 2010

JACKIE ROBINSON FOUNDATION, INC.

Statement of Financial Position

As of June 30, 2010

(With Comparative Totals for 2009)

	<u>2010</u>			<u>2009</u>
	<u>Operating</u>	<u>Endowment</u>	<u>Total</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents (Note 3)	\$ 737,650	\$ -	\$ 737,650	\$ 424,251
Investments (Note 7)	1,778	8,326,747	8,328,525	7,733,661
Pledges receivable, net (Note 6)	7,435,807	70,480	7,506,287	7,504,230
Interfund receivable (payable)	(904,587)	904,587	-	-
Other receivables, net of allowance for uncollectible receivables of \$92 in 2010 and 2009	21,651	17,946	39,597	33,805
Prepaid expenses	55,494	-	55,494	58,910
Inventory merchandise and coins	46,685	-	46,685	51,138
Security deposits	44,321	-	44,321	44,321
Property and equipment, net (Note 4)	3,767,370	-	3,767,370	3,973,872
Total assets	<u>\$ 11,206,169</u>	<u>\$ 9,319,760</u>	<u>\$ 20,525,929</u>	<u>\$ 19,824,188</u>
LIABILITIES AND NET ASSETS				
<i>Liabilities</i>				
Accounts payable and accrued expenses	\$ 289,812	\$ -	\$ 289,812	\$ 138,977
Advance payable	72,375	-	72,375	5,000
Deferred rent obligation (Note 9)	1,037,895	-	1,037,895	909,974
Credit line payable (Note 8)	3,976,168	-	3,976,168	3,937,792
Total liabilities	<u>5,376,250</u>	<u>-</u>	<u>5,376,250</u>	<u>4,991,743</u>
<i>Net assets</i>				
<i>Unrestricted</i>				
Board-designated endowment	-	5,091,955	5,091,955	4,773,034
Undesignated balance	(5,782,053)	-	(5,782,053)	(4,091,505)
Total unrestricted	(5,782,053)	5,091,955	(690,098)	681,529
Temporarily restricted (Note 11)	<u>11,611,972</u>	<u>4,227,805</u>	<u>15,839,777</u>	<u>14,150,916</u>
Total net assets	<u>5,829,919</u>	<u>9,319,760</u>	<u>15,149,679</u>	<u>14,832,445</u>
Total liabilities and net assets	<u>\$ 11,206,169</u>	<u>\$ 9,319,760</u>	<u>\$ 20,525,929</u>	<u>\$ 19,824,188</u>

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

JACKIE ROBINSON FOUNDATION, INC.

Statement of Activities

For the Year Ended June 30, 2010

(With Comparative Totals for 2009)

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
PUBLIC SUPPORT AND REVENUE				
<i>Public support</i>				
Fundraising events	\$ 2,174,493	\$ -	\$ 2,174,493	\$ 1,227,087
<i>Less: costs of events</i>	879,284	-	879,284	722,501
Fundraising events, net (Note 13)	1,295,209	-	1,295,209	504,586
Contributions and grants	1,274,362	1,674,729	2,949,091	3,398,695
Legacy campaign	-	1,409,950	1,409,950	405,285
Endowment campaign	-	91,910	91,910	35,832
<i>Revenue</i>				
Investment income	118,866	62,273	181,139	213,322
Net realized and unrealized gains (losses) on investments	231,991	201,815	433,806	(2,135,465)
Other income	590	-	590	37,704
	2,921,018	3,440,677	6,361,695	2,459,959
<i>Net assets released from restriction</i>				
Time restriction satisfied	1,751,816	(1,751,816)	-	-
Total public support and revenue	4,672,834	1,688,861	6,361,695	2,459,959
EXPENSES				
<i>Program services</i>				
Education and leadership development	3,285,047	-	3,285,047	3,364,384
Public information	445,832	-	445,832	524,128
Archives	177,309	-	177,309	175,686
Total program services	3,908,188	-	3,908,188	4,064,198
<i>Supporting services</i>				
Management and general	670,284	-	670,284	671,530
Fundraising	922,702	-	922,702	1,016,975
Total expenses before museum organizational costs	5,501,174	-	5,501,174	5,752,703
Museum organizational costs (Note 14)	543,287	-	543,287	508,667
Total expenses	6,044,461	-	6,044,461	6,261,370
Change in net assets	(1,371,627)	1,688,861	317,234	(3,801,411)
Net assets, beginning of year	681,529	14,150,916	14,832,445	18,633,856
Net assets, end of year	\$ (690,098)	\$ 15,839,777	\$ 15,149,679	\$ 14,832,445

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, 2010
(With Comparative Figures for 2009)

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 317,234	\$(3,801,411)
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>		
Depreciation and amortization	231,105	225,833
Debt finance interest	38,508	91,681
Bad debts	-	25,000
Unrealized (gain) loss on investments and disposal of fixed assets	(433,806)	2,135,465
Donated securities	(10,430)	(10,208)
(Increase) decrease in pledges receivable	(2,057)	1,492,699
Increase in other receivables	(5,792)	(9,978)
Decrease in prepaid expenses	3,416	50,458
Decrease in inventory—merchandise	4,453	2,924
Increase (decrease) in advance payable	67,375	(70,000)
Increase in deferred rent obligation	127,921	127,921
Increase (decrease) in accounts payable and accrued expenses	150,835	(43,902)
Net cash provided by operating activities	<u>488,762</u>	<u>216,482</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	6,341,064	9,583,625
Purchases of investments	(6,491,824)	(9,657,462)
Purchases of property and equipment	(24,603)	(196,108)
Security deposits paid	-	(30,000)
Net cash used by investing activities	<u>(175,363)</u>	<u>(299,945)</u>
Net increase (decrease) in cash and cash equivalents	313,399	(83,463)
Cash and cash equivalents, beginning of year	<u>424,251</u>	<u>507,714</u>
Cash and cash equivalents, end of year	<u><u>\$ 737,650</u></u>	<u><u>\$ 424,251</u></u>
SUPPLEMENTARY DISCLOSURE		
Contributions received in the form of corporate stocks	<u><u>\$ 10,430</u></u>	<u><u>\$ 10,208</u></u>

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

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

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 dedicated to the struggle for social, economic, and political justice for all. The Foundation's programs are concentrated in supplemental education, youth mentoring, and tuition assistance. In addition, it 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 U.S. for not-for-profit 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 (i.e., when a stipulated time or purpose restriction is fulfilled), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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 was made. Amortization of the discount is included in contribution revenue.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

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

Cash and Cash Equivalents

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.

The Foundation employs the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements and Disclosures* (formerly FAS 157), which establishes a hierarchal disclosure framework for measuring fair value that prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment, the characteristics specific to the investment, and the state of the marketplace, including the existence and transparency of transactions between market participants. Investments with readily available active prices or for which fair value can be measured from actively quoted prices in an orderly market generally will have a higher degree of market price observability and thus require less judgment in measuring fair value. As prescribed by ACS 820-10, investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2: Pricing inputs are those other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Pricing inputs are observable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

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

Investments - *(continued)*

Changes in valuation techniques may result in transfers in or out of an assigned level within the hierarchy.

Property and Equipment

Property and equipment are recorded at cost or the fair market value at the 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 the estimated useful lives or the terms of the lease, whichever is shorter.

The Foundation evaluates long-lived assets, which are held for use, for impairment whenever events or circumstances indicate an impairment may exist. An impairment loss is recorded if the net carrying value of the asset exceeds the undiscounted future net operating cash flows attributable to the asset. The impairment loss recognized equals the excess of net carrying value over the related fair value of the asset. Management has determined that no long-lived assets were impaired at June 30, 2010.

Inventory

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

Functional Allocation of Expenses

The costs of providing the Foundation's various programs and other activities have been summarized on a functional basis in the statement of activities, which includes all expenses incurred during 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 the time of donation.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

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

Use of Estimates

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

Recent Accounting Pronouncements

On June 30, 2009, the FASB issued Statement No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162*. The standard establishes the FASB Codification (the Codification) as the sole source of authoritative accounting principles to be applied by non-governmental entities in the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Foundation adopted the Codification effective July 1, 2009 and has included references to the Codification, as appropriate, in these financial statements.

The Foundation adopted ASC 740, *Accounting for Uncertainty in Income Taxes*. This interpretation clarifies the accounting for income taxes by prescribing the minimum standard a tax position is required to meet before being recognized in the financial statements. ASC 740 is effective for fiscal years beginning after December 15, 2008. The Foundation has not taken any uncertain tax position that should be accounted for under ASC 740.

Comparative Data

The amounts shown for the year ended June 30, 2009 in the accompanying financial statements are summarized totals that were included to provide a basis for comparison with 2010. Accordingly, the 2009 totals are not intended to present all information necessary for a fair presentation in conformity with GAAP in the U.S.

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, 2010, cash and cash equivalents exceeded federally insured limits. Management regularly monitors the Foundation's cash balances with the intent of minimizing its credit risk.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

NOTE 4 PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Leasehold improvements	\$ 2,844,750	\$ 2,844,750
Furniture and equipment	668,159	653,854
Computer software	32,841	22,541
Artwork	<u>45,700</u>	<u>45,700</u>
Total	3,591,450	3,566,845
<i>Less: accumulated depreciation and amortization</i>		
Total	<u>683,904</u>	<u>452,797</u>
Construction in progress	<u>859,824</u>	<u>859,824</u>
Property and equipment, net	<u>\$ 3,767,370</u>	<u>\$ 3,973,872</u>

Depreciation and amortization expenses for the years ended June 30, 2010 and 2009 were \$231,105 and \$225,833, 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, that there would be no withdrawal of capital except upon approval of the Board, and that the earnings from the endowment's investments may be used upon the Board's approval for the Foundation's operations.

In 1992, the Board established the endowed scholarship funds, 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 will be used to support an annual cash award to a Foundation scholar with the most outstanding community service involvement.

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

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

NOTE 5 BOARD-DESIGNATED ENDOWMENT *(continued)*

The endowments as of June 30, 2010 and 2009 consisted of the following net asset balances:

	<u>2010</u>	<u>2009</u>
<i>Unrestricted</i>		
Permanent endowment fund	\$ 3,113,723	\$ 2,970,923
Commemorative coin fund	<u>1,978,232</u>	<u>1,802,111</u>
Total unrestricted	<u>5,091,955</u>	<u>4,773,034</u>
<i>Temporarily restricted</i>		
Endowed scholarship funds	4,162,340	4,074,529
Spike Lee Youth Motivation Achievement Award Fund	<u>65,465</u>	<u>61,366</u>
Total temporarily restricted	<u>4,227,805</u>	<u>4,135,895</u>
Total	<u><u>\$ 9,319,760</u></u>	<u><u>\$ 8,908,929</u></u>

Changes in endowment funds net assets for the fiscal year ended June 30, 2010 consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$4,773,034	\$ 4,135,895	\$ 8,908,929
Contributions	<u>-</u>	<u>91,910</u>	<u>91,910</u>
<i>Investment return</i>			
Investment income	86,931	62,273	149,204
Net realized/unrealized gains	<u>231,991</u>	<u>201,815</u>	<u>433,806</u>
Total investment return	<u>318,922</u>	<u>264,088</u>	<u>583,010</u>
Appropriation for scholarship payments	<u>-</u>	<u>(264,088)</u>	<u>(264,088)</u>
Endowment assets, end of year	<u><u>\$5,091,956</u></u>	<u><u>\$ 4,227,805</u></u>	<u><u>\$ 9,319,760</u></u>

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

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

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board-designated funds that the Foundation must retain. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner intended to maintain the level of programs and services currently provided while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a rate of return of approximately 4% in excess of the consumer price index annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and Investment Objectives Related to the Spending Policy

The Endowment fund is to be thought of as a permanent fund. As such, the investment objectives require disciplined and consistent management philosophies that accommodate all those events that are relevant, reasonable, and probable. Therefore, a periodic review of total rate of return and spending rate objectives is required. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at 6% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the current assets and all future contributions.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

NOTE 6 CONTRIBUTIONS AND PLEDGES RECEIVABLE

Contributions and pledges receivable at June 30, 2010 consisted of amounts to be received during the years as follows:

Pledges receivable due within one year	\$ 2,224,500
Pledges receivable due within one to five years	4,822,000
Pledges receivable due after five years	<u>1,375,000</u>
	8,421,500
Present value discount	(817,213)
Allowance for uncollectible accounts	<u>(98,000)</u>
Total contributions and pledges receivable, net	<u>\$ 7,506,287</u>

NOTE 7 INVESTMENTS

Investments held by the Foundation at June 30, 2010 and 2009 consisted of the following (at fair value):

	<u>2010</u>	<u>2009</u>
U.S. government obligations	\$ 1,542,041	\$ 3,516,600
Corporate stocks	1,778	1,778
Corporate bonds	405,049	499,928
Mutual funds	5,163,505	2,371,181
Alternative investments	133,595	885,048
Money market funds	<u>1,082,557</u>	<u>459,116</u>
Total investments	<u>\$ 8,328,525</u>	<u>\$ 7,733,661</u>

The following table sets forth, by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. government obligations	\$ 1,542,041	\$ -	\$ -	\$ 1,542,041
Corporate stocks	-	1,778	-	1,778
Corporate bonds	-	405,049	-	405,049
Mutual funds	5,163,505	-	-	5,163,505
Alternative investments	-	-	133,595	133,595
Money market funds	<u>1,082,557</u>	<u>-</u>	<u>-</u>	<u>1,082,557</u>
	<u>\$ 7,788,103</u>	<u>\$ 406,827</u>	<u>\$ 133,595</u>	<u>\$ 8,328,525</u>

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

NOTE 7 INVESTMENTS *(continued)*

The following table summarizes changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2010:

Balance, beginning of year	\$ 885,048
Transfer to mutual funds	<u>(751,453)</u>
Balance, end of year	<u>\$ 133,595</u>

The composition of investments at June 30, 2010 and 2009 was as follows:

	<u>2010</u>	<u>2009</u>
Operating	\$ 1,778	\$ 1,778
Endowment	<u>8,326,747</u>	<u>7,731,883</u>
Total investments	<u>\$ 8,328,525</u>	<u>\$ 7,733,661</u>

As discussed in Notes 8 and 9, the Foundation's investments provide collateral for the line of credit and lease security of \$3,976,168 and \$1,050,000, respectively.

NOTE 8 LINE OF CREDIT PAYABLE

The Foundation has a revolving line of credit with a bank under which the Foundation may borrow up to 50% of the agreed-upon collateral value of its investments portfolio at the bank's LIBOR rate plus 50 basis points, which was 2.97% at June 30, 2010. The amount outstanding under this line of credit at June 30, 2010 and 2009, was \$3,976,168 and \$3,937,792, respectively. The Foundation's investments provide collateral for this line of credit.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

NOTE 9 COMMITMENTS

Lease

On February 20, 2007, the Foundation entered into a non-cancelable 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 period of this lease is from 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.”

Future minimum annual rental payments are as follows:

<u>Year</u>	<u>Base Rental Payments</u>
2011	\$ 1,039,432
2012	1,060,153
2013	1,163,758
2014	1,163,758
2015	1,163,758
Thereafter	<u>15,097,475</u>
Total minimum lease payment	<u>\$ 20,688,334</u>

The lease agreement also provides for a security of \$1,050,000, 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 \$250,000.

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

During fiscal years 2010 and 2009, the Foundation’s occupancy costs were \$1,304,790 and \$1,246,909, respectively, of which \$543,287 relates to museum development costs.

Scholarships

The Foundation intends to provide continuing support for scholarship recipients who demonstrate satisfactory academic progress until completion of their education based on a four-year commitment. As of June 30, 2010, the Foundation estimates that the future aggregate commitment to scholarship recipients is \$2,865,000.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

NOTE 10 CONTRIBUTION IN-KIND

The Foundation established an office in Los Angeles, California as a base for its West Coast operations. A member of the Board of Directors provides the office space as an in-kind contribution. The fair value of the office space is \$29,000, which is accounted for in the financial statements as rent expense and contribution revenue. During the fiscal year 2010, the Foundation received in-kind contributions of radio air time valued at \$50,300 towards fund raising events.

NOTE 11 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$15,849,777 and \$14,150,916, at June 30, 2010 and 2009, respectively, were available to support the museum, education, and leadership development program services.

The composition of temporarily restricted net assets at June 30, 2010 and 2009 was as follows:

	<u>2010</u>	<u>2009</u>
Museum	\$ 7,463,530	\$ 6,053,580
Scholarships	4,148,442	3,961,441
Endowed scholarships	<u>4,227,805</u>	<u>4,135,895</u>
Total	<u>\$ 15,839,777</u>	<u>\$ 14,150,916</u>

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 non-contributory, 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. Employees may contribute additional amounts voluntarily under a salary reduction agreement to the tax-deferred supplemental annuity plan.

During fiscal years 2010 and 2009, the Foundation's retirement plan expenses were \$48,865 and \$58,205, respectively.

JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements

June 30, 2010

NOTE 13 FUNDRAISING EVENTS

Fundraising events in 2010 were as follows:

	<u>Awards Dinner</u>	<u>LA Jazz Concert</u>	<u>Other</u>	<u>2010 Total</u>	<u>2009 Total</u>
Support	\$1,830,523	\$ 212,893	\$ 131,077	\$ 2,174,493	\$ 1,227,087
<i>Less: costs of fundraising events</i>	<u>632,732</u>	<u>165,721</u>	<u>80,831</u>	<u>879,284</u>	<u>722,501</u>
Fundraising events, net	<u>\$1,197,791</u>	<u>\$ 47,172</u>	<u>\$ 50,246</u>	<u>\$ 1,295,209</u>	<u>\$ 504,586</u>

NOTE 14 MUSEUM ORGANIZATIONAL COSTS

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 years ended June 30, 2010 and 2009, the Foundation incurred \$543,287 and \$508,667, respectively, in rental costs for the museum-designated location. Other costs incurred for the construction of the museum were capitalized as "construction in progress." Also in 2010, \$74,473 of consultant costs associated with the museum that was not capitalized was included in the professional and consultant fees on the schedule of functional expenses.

NOTE 15 SUBSEQUENT EVENTS

The Foundation has evaluated events subsequent to June 30, 2010, through September 13, 2010, the date the financial statements were available to be issued, and determined that there were no subsequent events that required disclosure.