

**JACKIE ROBINSON FOUNDATION, INC.**

**Financial Statements**

**For the Year Ended June 30, 2015**

**(With Summarized Financial Information for 2014)**

**With Report of Independent Auditors**

**JACKIE ROBINSON FOUNDATION, INC.**  
For the Year Ended June 30, 2015  
(With Summarized Financial Information for 2014)

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## REPORT OF INDEPENDENT AUDITORS

The Board of Directors  
Jackie Robinson Foundation, Inc.

### **Report on Financial Statements**

We have audited the accompanying financial statements of the Jackie Robinson Foundation, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jackie Robinson Foundation, Inc. at June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

**Report on Summarized Comparative Information**

We have previously audited the Foundation's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mitchell & Titus, LLP*

October 9, 2015

**JACKIE ROBINSON FOUNDATION, INC.**

Statement of Financial Position

As of June 30, 2015

(With Summarized Financial Information as of June 30, 2014)

	<b>2015</b>			<b>2014</b>
	<b>Operating</b>	<b>Endowment</b>	<b>Total</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents (Note 2)	\$ 232,172	\$ -	\$ 232,172	\$ 227,741
Investments (Note 8)	1,778	9,632,130	9,633,908	10,693,759
Pledges receivable, net (Note 7)	8,900,677	-	8,900,677	7,754,461
Interfund (payable) receivable	(1,750,656)	1,750,656	-	-
Other receivables	133,601	9,864	143,465	31,053
Prepaid expenses	45,996	-	45,996	74,767
Inventory	46,151	-	46,151	66,634
Security deposits	64,321	-	64,321	39,321
Property and equipment, net (Note 4)	2,890,232	-	2,890,232	3,005,626
Intangible asset (Note 5)	6,733	-	6,733	8,416
<b>Total assets</b>	<b>\$ 10,571,005</b>	<b>\$ 11,392,650</b>	<b>\$ 21,963,655</b>	<b>\$ 21,901,778</b>
<b>LIABILITIES AND NET ASSETS</b>				
<i>Liabilities</i>				
Accounts payable and accrued expenses	\$ 215,356	\$ -	\$ 215,356	\$ 487,280
Deferred revenue	15,000	-	15,000	5,000
Deferred rent obligation (Note 10)	1,566,365	-	1,566,365	1,586,648
Credit line payable (Note 9)	4,932,226	-	4,932,226	4,928,904
<b>Total liabilities</b>	<b>6,728,947</b>	<b>-</b>	<b>6,728,947</b>	<b>7,007,832</b>
Commitments (Note 10)				
<i>Net assets (deficit)</i>				
<i>Unrestricted</i>				
Board-designated endowment (Note 6)	-	7,012,133	7,012,133	7,030,416
Undesignated	(16,085,809)	-	(16,085,809)	(13,887,524)
<b>Total unrestricted</b>	<b>(16,085,809)</b>	<b>7,012,133</b>	<b>(9,073,676)</b>	<b>(6,857,108)</b>
<i>Temporarily restricted (Note 12)</i>	19,927,867	4,380,517	24,308,384	21,751,054
<b>Total net assets</b>	<b>3,842,058</b>	<b>11,392,650</b>	<b>15,234,708</b>	<b>14,893,946</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,571,005</b>	<b>\$ 11,392,650</b>	<b>\$ 21,963,655</b>	<b>\$ 21,901,778</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, 2015

(With Summarized Financial Information for the Year Ended June 30, 2014)

	<b>2015</b>			<b>2014</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Total</b>
<b>PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS</b>				
<i>Public support</i>				
Fundraising events	\$ 1,324,578	\$ -	\$ 1,324,578	\$ 1,474,131
Less: Direct benefit to donor costs	552,863	-	552,863	499,887
Fundraising events, net (Note 14)	771,715	-	771,715	974,244
Contributions and grants	2,170,086	3,319,403	5,489,489	3,779,959
Legacy campaign	-	2,087,845	2,087,845	1,387,625
Endowment campaign	-	1,710	1,710	21,120
<i>Revenue</i>				
Investment income	117,292	112,270	229,562	288,423
Net realized and unrealized (loss)/gain	(138,915)	(288,246)	(427,161)	926,298
Other income	54,597	-	54,597	2,034
	2,974,775	5,232,982	8,207,757	7,379,703
<i>Reclassifications</i>				
Net assets released from restriction				
Restrictions satisfied	2,675,652	(2,675,652)	-	-
Total public support, revenue and reclassifications	5,650,427	2,557,330	8,207,757	7,379,703
<b>EXPENSES</b>				
<i>Program services</i>				
Mentoring and leadership development	4,177,724	-	4,177,724	3,693,845
Public information	673,496	-	673,496	537,500
Archives	244,263	-	244,263	238,095
Total program services	5,095,483	-	5,095,483	4,469,440
<i>Supporting services</i>				
Management and general	682,051	-	682,051	649,350
Fundraising	1,453,875	-	1,453,875	1,521,141
Total supporting services	2,135,926	-	2,135,926	2,170,491
Total expenses before museum development costs	7,231,409	-	7,231,409	6,639,931
Museum development costs (Notes 10 and 15)	635,586	-	635,586	588,280
Total	7,866,995	-	7,866,995	7,228,211
Change in net assets (deficit)	(2,216,568)	2,557,330	340,762	151,492
Net assets (deficit), beginning of year	(6,857,108)	21,751,054	14,893,946	14,742,454
<b>Net assets (deficit), end of year</b>	<b>\$ (9,073,676)</b>	<b>\$ 24,308,384</b>	<b>\$ 15,234,708</b>	<b>\$ 14,893,946</b>

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

**JACKIE ROBINSON FOUNDATION, INC.**

## Statements of Cash Flows

For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 340,762	\$ 151,492
<i>Adjustments to reconcile change in net assets to net cash used in operating activities</i>		
Depreciation and amortization	245,139	254,843
Debt finance interest	3,322	38,209
Bad debt	91,625	31,000
Net realized and unrealized (loss)/gain	427,161	(926,298)
Proceeds from sale of donated securities	(283,641)	(554,384)
<i>Change in operating assets and liabilities</i>		
(Increase) decrease in pledges receivable	(1,237,841)	254,945
(Increase) decrease in other receivables	(112,412)	88,423
Decrease in prepaid expenses	28,771	3,658
Decrease (increase) in inventory	16,668	(27,121)
Increase in deferred revenue	10,000	5,000
Decrease in deferred rent obligation	(20,283)	(20,284)
(Decrease) increase in accounts payable and accrued expenses	(271,924)	309,626
Net cash used in operating activities	<u>(762,653)</u>	<u>(390,891)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	4,096,881	4,554,531
Purchases of investments	(3,176,735)	(4,258,099)
Purchases of property and equipment	(128,062)	(92,617)
Purchases of intangible asset	-	(8,416)
Security deposits paid	(25,000)	(25,000)
Net cash provided by investing activities	<u>767,084</u>	<u>170,399</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	33,621	200,000
Repayment of line of credit	(33,621)	(8,313)
Repayment of revolving loan	-	(20,964)
Net cash provided by financing activities	<u>-</u>	<u>170,723</u>
Net increase (decrease) in cash and cash equivalents	4,431	(49,769)
Cash and cash equivalents, beginning of year	227,741	277,510
<b>Cash and cash equivalents, end of year</b>	<u>\$ 232,172</u>	<u>\$ 227,741</u>
<b>SUPPLEMENTARY DISCLOSURE</b>		
Cash paid for interest	<u>\$ 33,170</u>	<u>\$ 30,090</u>

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

## JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements  
For the Year Ended June 30, 2015

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### NOTE 1 ORGANIZATION AND OPERATIONS

The 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 focused on supplemental education, youth mentoring, and tuition assistance. Additionally, the Foundation serves as an advocate for the rights and interests of minority youth and, in a broader sense, their families and the community in which they live.

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

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting.

The financial statements are presented in conformity with generally accepted accounting principles (GAAP) in the U.S. Accordingly, the Foundation is required to report information regarding its financial position and activities according to three net asset classes: unrestricted, temporarily restricted, and permanently restricted.

#### Use of Estimates

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

#### Net Asset Classifications

Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions. Therefore, net assets with similar characteristics have been combined into the following categories:

*Unrestricted:* Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by actions on behalf of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Unrestricted net assets can be utilized to carry out any purpose of the Foundation.



**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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

Net Asset Classifications *(continued)*

*Temporarily restricted:* Net assets used by the Foundation and subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire with the passage of time. These temporarily restricted net assets are designated principally for scholarships and endowed scholarships.

Scholarship contributions made by donors are four-year scholarship commitments to the Foundation payable through one-time or annual contributions. Endowed scholarship contributions are gifts made by donors to fund endowed Jackie Robinson Foundation scholarships and are placed into an investment fund account at the Board's approval. Scholarships are awarded using the returns and/or proceeds from the investment of these funds.

*Permanently restricted:* Net assets subject to donor-imposed restrictions that stipulate the principal be invested in perpetuity, but permit the Foundation to use all or part of the income earned on these assets for either specified or unspecified purposes. At June 30, 2015 and 2014, the Foundation did not have any permanently restricted net assets.

## JACKIE ROBINSON FOUNDATION, INC.

Notes to Financial Statements  
For the Year Ended June 30, 2015

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

#### Unrestricted Net Deficit

As reflected in the financial statements in the last few years, the Foundation has experienced losses from operations, which have added to the accumulated unrestricted funds net deficit of \$9,073,676 and \$6,857,108 as of June 30, 2015, and 2014, respectively. The increase in the accumulated unrestricted deficit over the past five years is attributable to the economic downturn of 2009 and its short- and long-term impact on fundraising, primarily in the New York metropolitan area as well as the Jackie Robinson Museum's development costs, which are being absorbed by the Foundation's unrestricted operation until construction can begin and known/pledged funds for the Museum are received. The Foundation's leadership has identified and is committed to undertaking the following measures to address the unrestricted funds net deficit:

- Diversify revenue sources and types of gifts
- Create less dependency on net revenue from special events through solicitation of unrestricted support
- Enhance program funding options to both meet the needs of its constituents and encourage new donor engagements
- Strengthen fundraising efforts around the Jackie Robinson Museum's project
- Remain vigilant in managing support services costs

As described in the Foundation staff's Development Strategic Plan, the Foundation's leadership will solicit more, new prospects to generate greater annual unrestricted revenue to meet budgeted targets, with progress having been shown in this regard over the last two years, and begin to reduce the unrestricted net deficit.

#### Support and Revenue Recognition

Contributions and grants, including promises to give, are recorded at fair value and recognized as revenue when received or pledged unconditionally. 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. The Foundation reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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

Pledges Receivable

Pledges receivable are reported at their fair values. The fair value measurements also include consideration of the donor's credit risk. An allowance for uncollectible pledges is estimated based on the Foundation's collection history and is recorded as a charge to bad debt and the valuation allowance during the fiscal year when the allowance is determined necessary.

Cash Equivalents

The Foundation considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments are carried at their fair value based on quoted market prices or, if donated, at the estimated fair value on the date of the gift. Realized and unrealized gains and losses are included in the statement of activities as increases or decreases in unrestricted 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. Purchases and sales of securities are recorded on a trade-date basis.

The Foundation employs the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. ASC 820 does not require any new fair value measurements, but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. ASC 820 defines fair value, requires expanded disclosures about fair value measurements, and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an assets or liability at the measurement date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs are prioritized according to the valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs), and the lowest priority is given to measurements involving insignificant unobservable inputs (Level 3 inputs).

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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

Investments *(continued)*

The three levels are as follows:

- 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 unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation.

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

Investment Income and Investment Management Fees

Realized gains and losses are calculated based on the difference between the cost of the investments and the proceeds received from the sale of the respective investments. Changes in net unrealized gains and losses are calculated based on the change in the difference between the cost and the fair values of investments at June 30 of the current year compared to the cost and the fair values of investments at June 30 of the prior year. Gains and losses on investment transactions are reflected in changes in unrestricted and temporarily restricted net assets. No material investment income pertains to operating investments. Investment management fees of \$52,671 and \$44,882 have been incurred for the years ended June 30, 2015 and 2014, respectively.

Fundraising Events

Fundraising events revenue is net of direct benefit to donor costs consisting of meals, entertainment, and other costs totaling \$552,863 and \$499,887 for the years ended June 30, 2015 and 2014, respectively.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements  
For the Year Ended June 30, 2015

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

Property and Equipment

Property and equipment are recorded at cost or the fair value at the date of donation. Depreciation of property and equipment is provided for on a straight-line basis over the estimated useful lives (5-10 years) of the respective assets, while leasehold improvements are amortized over their estimated useful lives or the term of the lease 20 years, whichever is shorter. Works of art are valued at cost and are not depreciated. Depreciation will begin on construction in progress once assets are put into service.

The Foundation evaluates impairment on long-lived assets, which are held for use, whenever events or circumstances indicate that impairment may exist. An impairment loss is recorded if the net carrying value of the assets 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 assets. Management has determined that long-lived assets were not impaired at June 30, 2015 and 2014.

Inventory

Inventory consists primarily of Jackie Robinson's coins, transit checks and merchandise, which are stated at fair value.

Functional Allocation of Expenses

The costs associated with providing the Foundation's 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.

Income Taxes

The Foundation is exempt from Federal income taxes under Section 501(a) of the IRC as a public charitable organization described in Section 501(c)(3) and, accordingly, is exempt from Federal income taxes under Section 501(a) of the IRC. It has been classified as a "publicly supported, not-for-profit national organization." Additionally, since the Foundation is publicly supported, all contributions qualify for the maximum charitable contribution deduction under the IRC. The Foundation is also exempt from New York State and New York City income tax.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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

Uncertain Tax Positions

U.S. GAAP requires management to evaluate uncertain tax positions taken by the Foundation. The financial statement effects of a tax position are recognized when the position is more-likely-than-not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2015, there are no uncertain tax positions taken or expected to be taken. The Foundation has recognized no interest or penalties related to uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2012.

Summarized Financial Information

The amounts shown for the year ended June 30, 2014 in the accompanying financial statements are summarized totals that were included to provide a basis for comparison with 2015. Accordingly, the 2014 totals are not intended to present all information necessary for a fair presentation in conformity with U.S. GAAP.

Reclassification of Prior Year's Totals

Certain prior-year comparative totals were reclassified to conform to current year's presentation.

In-kind Contributions

In-kind contributions represent donated office space, professional services, merchandise, promotion and advertising reflected in the financial statements at the estimated fair value at the time of donation.

Interpretation of Relevant Law

The New York State Nonprofit Revitalization Act (the "Act") went into effect July 1, 2014. The Act was the first meaningful revision of the New York State Not-for-Profit Corporation law in over forty years. Many of the changes in the Act reflect policies which have been recognized as best practices in the nonprofit sector. The Act contains updated corporate governance procedures, related party transaction/conflict of interest procedures and fiscal policies. The Foundation has evaluated the effect of the Act and has updated its Conflict of Interest and Whistle-blower policies and has reconstituted its Audit Committee in order to comply with the requirements of the Act.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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**NOTE 3 CONCENTRATION**

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

During fiscal 2015 and 2014, 7 and 3 donors contributed \$2,898,535 and \$1,489,429, respectively. This represents 52.8% and 39.4% of contribution revenue. During fiscal 2015 and 2014, 2 and 1 donors respectively, contributed 95.8% and 90.1% respectively, towards the Foundation's Legacy Campaign.

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Leasehold improvements	\$ 2,844,750	\$ 2,844,750
Furniture and equipment	721,636	672,774
Computer software	45,316	45,316
Application design	235,950	156,750
Artwork	<u>45,700</u>	<u>45,700</u>
Total	3,893,352	3,765,290
<i>Less: Accumulated depreciation and amortization</i>		
	<u>1,891,223</u>	<u>1,647,767</u>
Total	2,002,129	2,117,523
Construction in progress	<u>888,103</u>	<u>888,103</u>
<b>Property and equipment, net</b>	<u>\$ 2,890,232</u>	<u>\$ 3,005,626</u>

Depreciation and amortization expense for the years ended June 30, 2015 and 2014 was \$243,456 and \$254,843, respectively. Estimated amortization expense related to application design for fiscal 2016 through 2019 will be \$47,190, \$34,790, \$27,840 and \$15,840, respectively.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements  
For the Year Ended June 30, 2015

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**NOTE 5      INTANGIBLE ASSET**

In June 2014, the Foundation entered into an agreement to license the rights to use select photos developed and owned by another company. The purchase price paid for the license was \$8,416 in cash which represents its fair value. The amount has been recorded as an intangible asset in the accompanying statement of financial position and is being amortized over five years, the period of its estimated benefit. Amortization expense at June 30, 2015 was \$1,683. Estimated amortization for the next four years will be \$1,683 per year. There was no amortization in 2014 due to the timing of the purchase.

**NOTE 6      ENDOWMENT FUND**

In 1986, the Board established a permanent endowment fund consisting of Board-designated net assets by which the capital of the endowment would be retained and invested and there would be no withdrawal of capital except upon approval of the Board. 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 an endowed scholarship fund, whereby donors specified that the capital of their contribution on to the endowed scholarship fund would be retained and invested and the earnings from the investments would be used to provide four-year scholarships through the Foundation's programs.

In 1996, the Board established the Spike Lee Youth Motivation Achievement Award Fund. Contributions made to this fund would 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 Board-designated permanent endowment fund.

The Board determined that its endowment use policy is consistent with New York Prudent Management of Institutional Funds Act (NYPMIFA) statute requirements.



**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

**NOTE 6      ENDOWMENT FUND (continued)**

Endowments as of June 30, 2015 and 2014 consisted of the following net asset balances:

	<u>2015</u>	<u>2014</u>
<i>Unrestricted</i>		
<i>Board-designated</i>		
Permanent endowment fund	\$ 3,824,499	\$ 3,785,770
Commemorative coin fund	<u>3,187,634</u>	<u>3,244,646</u>
<b>Total unrestricted</b>	<u>\$ 7,012,133</u>	<u>\$ 7,030,416</u>
<i>Temporarily restricted</i>		
Endowed scholarship fund	\$ 4,320,050	\$ 4,690,015
Spike Lee Youth Motivation Achievement Award Fund	<u>60,467</u>	<u>62,820</u>
Total temporarily restricted	<u>4,380,517</u>	<u>4,752,835</u>
<b>Total</b>	<u>\$ 11,392,650</u>	<u>\$ 11,783,251</u>

Changes in endowment fund net assets for the fiscal year ended June 30, 2015 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 7,030,416	\$ 4,752,835	\$ 11,783,251
Contributions	<u>-</u>	<u>1,710</u>	<u>1,710</u>
<i>Investment return</i>			
Investment income (net)	116,817	112,270	229,087
Net realized/unrealized losses	<u>(135,100)</u>	<u>(288,246)</u>	<u>(423,346)</u>
Total investment return	<u>(18,283)</u>	<u>(175,976)</u>	<u>(194,259)</u>
Appropriated for scholarship payments	<u>-</u>	<u>(198,052)</u>	<u>(198,052)</u>
<b>Endowment assets, end of year</b>	<u>\$ 7,012,133</u>	<u>\$ 4,380,517</u>	<u>\$ 11,392,650</u>

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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**NOTE 6**      **ENDOWMENT FUND** *(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. Under this policy, as approved by the Board, 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 3%-5%.

Strategies Employed for Achieving Objectives

To satisfy the 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 How the Investment Objectives Relate to Spending Policy

The endowment fund is considered a permanent fund; therefore, the investment objectives require disciplined and consistent management philosophies to accommodate all relevant, reasonable, and probable events. Thus, total rate-of-return and spending rate objectives are reviewed periodically, consistent with the Foundation's objective to maintain the purchasing power of the current assets and all future contributions. There is no specific spending rate established by the Foundation.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements  
For the Year Ended June 30, 2015

**NOTE 7 PLEDGES RECEIVABLE, NET**

Pledges receivable consisted of amounts to be received as follows:

	<b>June 30</b>	
	<b>2015</b>	<b>2014</b>
Pledges receivable due less than 1 year	\$ 3,331,924	\$ 2,486,074
Pledges receivable due from 1-5 years	5,489,000	4,826,750
Pledges receivable after 5 years	900,000	1,225,000
	9,720,924	8,537,824
Fair value adjustment	(616,121)	(670,862)
Allowance for uncollectible accounts	(204,126)	(112,501)
<b>Total pledges receivable, net</b>	<b>\$ 8,900,677</b>	<b>\$ 7,754,461</b>

Amounts due in more than one year are adjusted to fair value using present value techniques that assume a discount rate of between 3% and 2% in 2015 and 2014, respectively.

The Foundation has a conditional grant totaling \$3,000,000, which contains donor conditions based on the completion of the museum and education center. Since the grant represents a conditional promise to give, it will not be recorded as contribution revenue until the donor conditions are met. As of June 30, 2015, and 2014, \$1,250,000 of the conditions had been met; accordingly, contributions revenue was recorded in the years the conditions were met.

**NOTE 8 INVESTMENTS**

Investments held by the Foundation at June 30, 2015 and 2014 consisted of the following:

	<b>2015</b>	<b>2014</b>
<i>At fair value</i>		
U.S. Government obligations	\$ 873,252	\$ 1,087,627
Corporate stocks	1,778	277,945
Corporate bonds	646,461	665,425
Mutual funds	7,927,560	8,376,712
SPDR exchange-traded funds	89,896	102,432
Money market funds	94,961	183,618
<b>Total investments</b>	<b>\$ 9,633,908</b>	<b>\$ 10,693,759</b>

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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**NOTE 8**      **INVESTMENTS** *(continued)*

The following valuation methodologies were used for assets measured at fair value:

*U.S. Government obligations, mutual funds, SPDR exchange-traded funds, and money market funds*—Valued at the closing price reported on the active market on which the individual securities are traded.

*Corporate bonds and corporate stocks*—Valued based on information provided by an independent pricing service that uses information gathered from market sources and integrates relative infrequent information, market movements and sector news into an evaluated pricing application and model.

The methods described above may produce a fair value calculation that may not indicate net realizable value or reflect future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, different methodologies or assumptions used to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Foundation’s investments at fair value as of June 30, 2015 and 2014, respectively:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2015 Total</u>
U.S. Government obligations	\$ 873,252	\$ -	\$ -	\$ 873,252
Corporate stocks	-	1,778	-	1,778
Corporate bonds	-	646,461	-	646,461
<i>Mutual funds</i>				
U.S. equity	4,287,036	-	-	4,287,036
U.S. fixed income	1,858,104	-	-	1,858,104
Other	1,782,420	-	-	1,782,420
SPDR exchange-traded funds	89,896	-	-	89,896
Money market funds	94,961	-	-	94,961
	<u>\$ 8,985,669</u>	<u>\$ 648,239</u>	<u>\$ -</u>	<u>\$ 9,633,908</u>

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

**NOTE 8 INVESTMENTS** *(continued)*

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>2014 Total</b>
U.S. Government obligations	\$ 1,087,627	\$ -	\$ -	\$ 1,087,627
Corporate stocks	276,167	1,778	-	277,945
Corporate bonds	-	665,425	-	665,425
<i>Mutual funds</i>				
U.S. equity	4,405,057	-	-	4,405,057
U.S. fixed income	2,319,402	-	-	2,319,402
Other	1,652,253	-	-	1,652,253
SPDR exchange-traded funds	102,432	-	-	102,432
Money market funds	183,618	-	-	183,618
	<b>\$10,026,556</b>	<b>\$ 667,203</b>	<b>\$ -</b>	<b>\$10,693,759</b>

Changes in economic conditions or model-based valuation techniques may require transfer of financial instruments from one fair value level to another. For the years ended June 30, 2015 and 2014, there were no transfers in or out of Level 1, 2 or 3.

The composition of investments at June 30, 2015 and 2014 was as follows:

	<b>2015</b>	<b>2014</b>
Operating	\$ 1,778	\$ 1,778
Endowment	9,632,130	10,691,981
<b>Total investments</b>	<b>\$ 9,633,908</b>	<b>\$ 10,693,759</b>

As discussed in Notes 9 and 10, the Foundation's investments provide collateral for the line of credit at June 30, 2015 and 2014, of \$4,932,226 and \$4,928,904, respectively, and a letter of credit at June 30, 2015 and 2014 of \$483,000 and \$725,000, respectively.

**NOTE 9 REVOLVING LOAN AND CREDIT LINE 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 0.687% and 0.652% at June 30, 2015 and 2014, respectively. The amounts outstanding under this line of credit at June 30, 2015 and 2014 were \$4,932,226, and \$4,928,904, respectively. Interest expense on the credit line payable was \$33,302 and \$33,669 for the years ended June 30, 2015 and 2014, respectively. The Foundation's investments provide collateral for this line of credit.

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements  
For the Year Ended June 30, 2015

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**NOTE 10      COMMITMENTS**

Lease

On February 20, 2007, the Foundation entered into a non-cancellable 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," and is reflected in the accompanying statement of financial position.

On May 25, 2011, the landlord granted the Foundation a temporary restructuring of its lease obligation to defer partial payments in the amount of \$26,999 per month for the period July 1, 2011 through April 30, 2012 and \$30,162 per month for the period May 1, 2012 through June 30, 2012. The aggregate deferred rent of \$330,321 is to be repaid by the Foundation, in addition to all fixed rent and additional rent otherwise payable under the lease, over the balance of the term of the lease, on the first day of each month commencing on July 1, 2013 and ending on April 1, 2027, in equal installments of \$1,990.

At June 30, 2015, minimum lease rental payments under the non-cancellable operating lease for the rental of office and museum space are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 1,187,637
2017	1,201,177
2018	1,268,879
2019	1,268,879
2020	1,268,879
Thereafter	<u>9,184,589</u>
<b>Total minimum lease payments</b>	<b><u>\$ 15,380,040</u></b>

The lease agreement also provides for a security of \$483,000, 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 an amount of \$250,000.

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

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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**NOTE 10**      **COMMITMENTS** *(continued)*

Lease *(continued)*

During fiscal years 2015 and 2014, the Foundation's occupancy costs were \$1,590,017 and \$1,509,853, respectively, of which \$635,586 and \$588,280, respectively, were related to museum development costs.

Scholarships

The Foundation intends to provide continuing support for recipients of scholarships who demonstrate satisfactory academic progress until completion of their four-year degree. As of June 30, 2015 and 2014, the Foundation estimates that the future aggregate commitment to recipients of \$3,383,400 and \$3,166,200, respectively.

**NOTE 11**      **RELATED-PARTY TRANSACTIONS**

The Foundation established an office in Los Angeles, California as a base for its West Coast operations. A Board member provided the office space as an in-kind contribution. The office space has a fair value of \$40,000 and \$30,000 for the years ended June 30, 2015 and 2014, respectively, which is accounted for as contribution revenue and occupancy costs in the accompanying financial statements.

**NOTE 12**      **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets of \$24,308,384 and \$21,751,054 at June 30, 2015 and 2014, respectively, are available to support the museum, education, and leadership development program services.

The composition of temporarily restricted net assets at June 30, 2015 and 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Museum	\$ 13,173,428	\$ 11,085,583
Scholarships	6,754,439	5,912,636
Endowed scholarships	<u>4,380,517</u>	<u>4,752,835</u>
<b>Total temporarily restricted net assets</b>	<b><u>\$ 24,308,384</u></b>	<b><u>\$ 21,751,054</u></b>

Net assets released from restriction based on the satisfaction of purpose and time restrictions were as follows:

	<u>2015</u>	<u>2014</u>
Scholarships	<u>\$ 2,675,652</u>	<u>\$ 2,376,475</u>

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements  
For the Year Ended June 30, 2015

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**NOTE 13 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 IRC.

The retirement plan is a non-contributory, defined contribution plan covering all eligible employees working at least 1,000 hours per year who have completed one year of employment. The Foundation contributes an amount up 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 2015 and 2014, the Foundation's retirement plan expense was \$82,334 and \$76,805, respectively.

**NOTE 14 FUNDRAISING EVENTS**

Fundraising events in 2015 and 2014 were as follows:

	<u>Award Dinner</u>	<u>JR Birthday Event</u>	<u>Other</u>	<u>2015 Total</u>
Fund raising revenue	\$ 1,281,578	\$ 43,000	\$ -	\$ 1,324,578
<i>Less: Direct benefit to donor costs</i>	<u>536,290</u>	<u>16,573</u>	<u>-</u>	<u>552,863</u>
<b>Fundraising events, net</b>	<u>\$ 745,288</u>	<u>\$ 26,427</u>	<u>\$ -</u>	<u>\$ 771,715</u>
	<u>Award Dinner</u>	<u>JR Birthday Event</u>	<u>Other</u>	<u>2014 Total</u>
Fund raising revenue	\$ 1,362,936	\$ 13,000	\$ 98,195	\$ 1,474,131
<i>Less: Direct benefit to donor costs</i>	<u>478,749</u>	<u>16,055</u>	<u>5,083</u>	<u>499,887</u>
<b>Fundraising events, net</b>	<u>\$ 884,187</u>	<u>\$ (3,055)</u>	<u>\$ 93,112</u>	<u>\$ 974,244</u>

The Foundation received in kind merchandise for its fundraising event which was a direct benefit to donors with a fair value of \$24,363 and \$22,435 in 2015 and 2014, respectively. These amounts have been reflected in fundraising revenue and direct benefit to donor costs in the accompanying statement of activities



**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2015

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**NOTE 15 MUSEUM DEVELOPMENT COSTS**

The Foundation is currently building the Jackie Robinson Museum to expand its outreach in continuing Jackie Robinson's legacy. During the years ended June 30, 2015 and 2014, the Foundation incurred \$635,586 and \$588,280, respectively, in occupancy cost for the space designated for the museum. Other costs incurred for the construction of the museum were capitalized as "construction in progress," and are reflected within property and equipment in the accompanying statement of financial position.

**NOTE 16 IN KIND CONTRIBUTIONS**

The organization recognizes in kind contribution for certain legal services, at the fair value of such services. Recognized services were provided by one legal professional as follows:

	<u>2015</u>	<u>2014</u>
Professional and consultant fees:		
Program services	\$ 26,400	\$ -
Supporting services	<u>21,600</u>	<u>-</u>
<b>Total</b>	<u>\$ 48,000</u>	<u>\$ -</u>

The organization also recognized in kind contribution for office space, at the fair value of such space for the year ended June 30, 2015 and 2014 at \$40,000 and \$30,000, respectively.

	<u>2015</u>	<u>2014</u>
Occupancy:		
Program services	\$ 20,000	\$ 15,000
Supporting services	<u>20,000</u>	<u>15,000</u>
<b>Total</b>	<u>\$ 40,000</u>	<u>\$ 30,000</u>

The organization also received merchandise for program services with a fair value of \$13,535 and \$17,500 in 2015 and 2014, respectively, which were recognized as contribution revenue.

	<u>2015</u>	<u>2014</u>
Program services-supplies	\$ 6,428	\$ 17,500
Inventory	<u>7,107</u>	<u>-</u>
<b>Total</b>	<u>\$ 13,535</u>	<u>\$ 17,500</u>

**JACKIE ROBINSON FOUNDATION, INC.**

Notes to Financial Statements  
For the Year Ended June 30, 2015

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**NOTE 16**    **IN KIND CONTRIBUTIONS** *(continued)*

In addition, the Foundation also recognized in kind contributions during 2015 for promotion and advertising valued at \$53,893. This has been reflected in program services in the accompanying statement of activities. There were no in kind contributions for promotion and advertising in 2014.

**NOTE 17**    **SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through October 9, 2015, the date the financial statements were approved and available for issuance or disclosure and recognition in the financial statements. Management has determined that no items require disclosure through to the aforementioned date.