

THE STATUE OF LIBERTY-ELLIS ISLAND FOUNDATION, INC.

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

www.statueofliberty.org

or

www.ellisland.org

or

www.wallofhonor.org

or

www.flagoffaces.org

ANNUAL REPORT

Year ended March 31, 2014

The Statue of Liberty-Ellis Island Foundation, Inc.
Annual Report for Fiscal Year Ended March 31, 2014

Year in Review

The 2013-2014 fiscal year brought continued challenges for the Peopling of America® Center, a major expansion of the Ellis Island Immigration Museum which will tell the entire story of the populating of America. The first phase of the Center opened in October 2011, with galleries that follow immigration from the Native Americans, through the Colonial period and arrival of the European settlers in the 1800s, before Ellis Island. And while the fundraising goal for the Center's creation was met, the actual on site construction for the Post-Ellis galleries came to a halt. Liberty and Ellis Islands were severely impacted by the destruction caused by Hurricane Sandy. Portions of both islands were flooded, causing power loss, damaged property and the closure of the islands to visitors. Liberty Island reopened on July 4th but Ellis remained closed until October 28th. At Ellis Island the basement of the Main Building was flooded to the ceiling, destroying all support services, including electric, HVAC, plumbing and digital infrastructure. This essentially put construction on hold from October 29, 2012 through October 2013. Construction was able to recommence in November 2013 with completion of the Center planned for May 2015.

The Foundation continued promoting The American Flag of Faces™ -- a website which invites all Americans to submit photos of their families, their ancestors, even themselves to become a part of a digital tapestry of thousands of photographs comprising an interactive American flag. Available online at www.FlagOfFaces.org, on October 28, 2011, the exhibit at the Ellis Island Museum has remained out of service until May 2015, due to the hurricane damage. Proceeds from The Flag of Faces have helped support the Peopling Center.

Upon the reopening of the islands, the Foundation continued to manage the self-guided audio tours for the Statue of Liberty and Ellis Island, which are produced by award-winning Antenna International and included with every ferry ticket. They are available in nine languages, with a special tour designed especially for children. A portion of the proceeds helps support the creation of the Peopling Center and future Foundation projects.

When Ellis Island reopened on October 28th, the Foundation continued to manage our American Family Immigration History Center®. Overall visitation numbers remained down this year because of Hurricane Sandy. However, the website served over 3.2 million visitors because the immigration database was kept offsite and remained available throughout the island closures due to the hurricane.

The Foundation's annual Ellis Island Family Heritage Awards event was not held in 2014. They will again be presented in conjunction with the opening of The Peopling of America® Center in May 2015.

Sincerely,

Paul E. Weaver
Chairman of the Board

Stephen A. Briganti
President and Chief Executive Officer

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Board of Directors

Paul E. Weaver		Lee A. Iacocca
Michael L. Barrera	Emilio Estefan	Karen Jurgensen
Albert C. Bellas	Tina Santi Flaherty	Tommy Lasorda
Stephen A. Briganti	Christopher Forbes	Peter Lehrer
Joseph E. Doddridge	Jeffrey Gural	Michael J. O'Bannon
Michael Donovan	Gedale B. Horowitz	Warren Winiarski

Officers

Stephen A. Briganti, President and CEO	Karl Anderson, VP of Administration
Peg Zitko, Senior Vice President	Elad Rosin, Controller and Secretary

Governance

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

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

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

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Financial and Compliance Reporting

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

>The Foundation files a Form 990 - Return of Organization Exempt from Income Tax and related schedules with the Internal Revenue Service and when necessary a Form 990T Exempt Organization Business Income Tax Return. Additional filing included such individual states or commonwealths that either require a "charitable organization" filing or a "foreign corporation" filing to conduct fund raising activities in such state or commonwealth.

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

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

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Mission, Background and Prior Projects

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

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

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

Background: The first projects of the Foundation from 1982 until 1992 included the restoration of the Statue of Liberty, upgrade of Liberty Island, the preservation of the main building on Ellis Island, upgrading Castle Clinton, and establishment of the Statue of Liberty Museum and the 220,000 square foot Ellis Island Immigration Museum (which has had over 40 million visitors since opening). The Foundation also produced the Statue’s 100th anniversary Liberty Weekend, in July 1986, viewed on television by 1.5 billion people in 51 countries around the world. In addition, contributors were promised the establishment of an endowment to provide the NPS with assistance for maintenance and enhancement of the visitors’ experience.

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

During 1996 to 2001 the Foundation developed and created the American Family Immigration History Center ® on Ellis Island and the Internet at www.ellisland.org. The Center contains computerized arrival records (manifests) of 25 million immigrants, passengers and ships’ crewmembers who arrived in America through the Port of New York between 1892 and 1924. The Center also contains pictures of the ships they arrived on – altogether, 500 million pieces of information. This fiscal year the Center at Ellis Island served over 85,000 people and the website had over 3.2 million visits, with additional global outreach via Facebook and Twitter.

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

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Specific Programs of the Foundation include:

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

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

Endowment Grants for NPS projects: Projects requested by the National Park Service and agreed to by the Foundation for items related to improving or maintaining the visitors' experience including such items as curatorial activities, conservation of artifacts related to an exhibit, visitor aids and visitor enhancements.

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

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

The Foundation's newest program, currently under development, is The Peopling of America® Center which will be an expansion of the Ellis Island Immigration Museum to tell the story of those who arrived to America from its earliest days before the Ellis Island era as well as those who came after World War II and right up to the present. Fundraising for this project was brought to completion this year. Exhibitory fabrication and on site construction has continued. On October 28, 2011 the first phase of the Center opened to the public with galleries that follow immigration from the Native Americans, through the Colonial period and arrival of the European settlers in the 1800s, before Ellis Island. The completion of the Center with the opening of the Post-Ellis galleries has been postponed until 2015 due to construction delays caused by Hurricane Sandy damage.

Audio Tours: Under an agreement with the National Park Service the Foundation is authorized to operate a self-guided audio tour program for the Statue of Liberty and Ellis

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Island produced by award-winning Antenna International and available in nine languages, with a special tour designed especially for children. The tour became universal, included with each ferry ticket, in June 2012. Revenues generated by the sale of tours are dedicated to The Peopling of America® Center and other related projects. In fiscal year 2013 approximately 2,280,000 visitors were provided audio tours.

The Foundation and the National Park Service have been exploring the possibilities of a free standing museum on Liberty Island.

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Summarized Financial Information

Year Ended March 31,
 \$'s in thousands

Statement of Activities	<u>2013</u>	<u>2014</u>
Contributions	\$ 1,406	\$ 1,194
Program and other revenue	6,473	8,235
Interest/Dividend income	757	961
Net realized/unrealized (loss) gain on investments	2,891	4,022
Total Support, Revenue and Gains (Losses)	11,527	14,412
Program: Restoration & Preservation Expenses	88	69
Program: American Family Immigration History Center ®	1,756	1,377
Program: Audio Tour	3,428	4,842
Program: Public Awareness, Education, Family History	441	368
Program: Peopling of America ®	821	1,159
Program: Liberty Museum	133	156
Fund Raising Expenses	352	431
Management & General Expenses	993	1,018
Total Expenses	\$ 8,012	\$ 9,420

Statement of Cash Flows	<u>2013</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 3,515	4993
Adjustments to reconcile change in net assets		
Realized and unrealized (gains) losses securities	(2,891)	(4,022)
Depreciation and amortization	38	44
Other changes	(1)	(1)
Loss on disposal of equipment	120	13
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	154	50
Decrease (increase) in other assets	(57)	(209)
Increases (decrease) in accounts payable/expenses	(252)	491
Net Cash provided by operating activities	626	1,359
Cash flows from investing activities:		
Purchase of property and equipment	(68)	(477)
Sales of Investments	10,483	5,111
Purchases of investments	(10,556)	(6,071)
Net cash used in investing activities	(141)	(1,437)
Net increase (decrease) in cash	485	(78)
Cash at beginning of year	315	800
Cash at end of year	\$ 800	\$ 722

Net Assets		
Unrestricted general fund	\$ 244	\$ 1,795
Unrestricted board-designated endowment fund	38,686	42,196
Temporarily restricted	1,034	966
Total ending net assets	\$ 39,964	\$ 44,957

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	2013 Q2	2013 Q3	2013 Q4	2014 Q1	FY 2014 Total
<u>AMERICAN FAMILY IMMIGRATION HISTORY CENTER ® at ELLIS ISLAND</u>					
Sessions	Closed	Closed	Closed	Not Available	-
Searches	Closed	Closed	Closed	Not Available	-
Total number of visitors	Closed	Closed	Closed	Not Available	-
Brochures distributed	Closed	Closed	Closed	5,250	5,250
New York Sales Tax collected	Closed	Closed	Closed	-	-
Volunteer Hours	Closed	Closed	Closed	191	191
<u>ELLISISLAND.ORG</u>					
Page Views	12,569,548	14,721,991	16,059,972	16,347,168	59,698,679
Visits	1,035,063	1,102,989	1,260,817	1,112,233	4,511,102
Unique Visitors	734,997	790,361	932,456	828,430	3,286,244
<u>STATUEOFLIBERTY.ORG</u>					
Page Views	169,845	130,573	160,718	148,081	609,217
Visits	108,787	87,872	103,532	95,387	395,578
Unique Visitors	102,017	81,416	94,413	84,255	362,101
<u>WALLOFHONOR.ORG</u>					
Page Views	81,087	71,089	200,777	109,159	462,112
Visits	16,598	12,817	48,744	22,921	101,080
Unique Visitors	14,539	11,153	41,102	19,360	86,154
<u>American Immigrant Wall of </u>					
Registration packets	-	7,100	3,000	4,400	14,500
<u>Flagoffaces.org</u>					
Page Views	8,025	6,846	20,629	13,242	48,742
Visits	4,054	3,522	9,475	6,122	23,173
Unique Visitors	3,661	3,165	8,771	5,434	21,031
<u>E-MAIL Received:</u>					
	3,863	4,527	10,253	6,371	25,014
<u>Direct Mail Received:</u>					
	3,464	1,569	6,377	6,416	17,826
<u>Visitors:</u>					
Liberty Island	Closed	939,025	621,632	418,039	1,978,696
Ellis Island	Closed	Closed	220,410	222,122	442,532
<u>Audio Tours:</u>					
	1,195	1,159,311	634,312	484,998	2,279,816
<u>Employees during calendar year 2013</u>					25