

**The Sallan Foundation, Inc.**

**Financial Statements**

**December 31, 2005**

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**MARC B. FREEDMAN**

*CERTIFIED PUBLIC ACCOUNTANT, P.C.*

Board of Directors  
The Sallan Foundation, Inc.  
30 Broad Street, 30<sup>th</sup> Floor  
New York, NY 10004

### ***Accountants' Review Report***

We have reviewed the accompanying statement of assets, liabilities, and net assets - cash basis, of The Sallan Foundation, Inc. (a non-profit corporation) as of December 31, 2005, and the related statement of revenues, expenses, and changes in net assets - cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these statements is the representation of the management of The Sallan Foundation, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting as described in Note 1.

*Marc B. Freedman*

June 15, 2006

**The Sallan Foundation, Inc.**  
**Statement of Assets, Liabilities and Net Assets-Cash Basis**  
*December 31, 2005*

**Assets**

**Current Assets**

|                           |                  |
|---------------------------|------------------|
| Cash in Checking Accounts | \$5,487          |
| Other Cash Investments    | <u>1,434,433</u> |

**Total Current Assets** **1,439,920**

**Fixed Assets**

|                                |              |
|--------------------------------|--------------|
| Organizational Costs           | 17,459       |
| Office Furniture and Equipment | <u>5,088</u> |

**Total Fixed Assets** **22,547**

|                          |                |
|--------------------------|----------------|
| Accumulated Depreciation | <u>(5,043)</u> |
|--------------------------|----------------|

**Net Fixed Assets** **17,504**

**Other Assets**

|                  |              |
|------------------|--------------|
| Security Deposit | <u>1,600</u> |
|------------------|--------------|

**Total Other Assets** **1,600**

**Total Assets** **1,459,024**

**Unrestricted Net Assets** **\$1,459,024**

See Accountant's Review Report and Notes to Financial Statements

**The Sallan Foundation, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Assets-Cash Basis**  
*For the 12 Months Ended December 31, 2005*

**Revenue**

**Interest Income** \$34,627

**Expenses**

Compensation of Officer \$52,748

Rent and Utilities 12,007

Web Site Design and Maintenance 5,852

Conference Support and Attendance 2,825

Depreciation Expense 865

Other Costs 13,270

**Total Expenses** **87,567**

**Net Decrease in Unrestricted Net Assets** **(52,940)**

**Beginning Unrestricted Net Assets** **1,511,964**

**Closing Unrestricted Net Assets** **\$1,459,024**

See Accountant's Review Report and Notes to Financial Statements

### **Nature of Organization**

The Foundation was incorporated in the State of Delaware July 19, 2004. It was granted exempt status as a private operating foundation by the Internal Revenue Service effective its date of incorporation. The Foundation is dedicated to creating and sharing knowledge and information that will improve the New York City urban environment and thereby improve the lives of the people living/working there.

### **Note 1 - Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The organization's policy is to prepare its financial statements on the cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

#### **Cash and Cash Equivalents**

The Company considers all money market accounts and short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

#### **Depreciation**

The Company's equipment is depreciated using the straight-line method based on the estimated useful lives of the various classes of assets as follows:

|                    |         |
|--------------------|---------|
| Office Furniture   | 7 years |
| Office Equipment   | 5 years |
| Organization Costs | 5 years |

#### **Use of Estimates**

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

**Note 2 – Concentration of Credit Risk**

The Foundation maintains its bank accounts in one financial institution located in new York City. Balances are insured by the Federal deposit Insurance Corporation up to \$100,000. At December 31, 2005 the Foundation's uninsured cash balances in the bank totaled \$1,339,920.