

The Sallan Foundation, Inc.

Financial Statements

December 31, 2008

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MARC B. FREEDMAN

CERTIFIED PUBLIC ACCOUNTANT, P.C.

Board of Directors
The Sallan Foundation, Inc.
30 Broad Street, 30th Floor
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Accountants' Review Report

We have reviewed the accompanying statements of financial position of The Sallan Foundation, Inc. (a non-profit corporation) as of December 31, 2008, 2007 and 2006, and the related statements of activities and cash flows for the years 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 generally accepted accounting principles.

Marc B. Freedman

June 12, 2009

The Sallan Foundation, Inc.
Statements of Financial Position
December 31,

Assets

	2008	2007	2006
Current Assets			
Cash in Bank Accounts	\$98,924	\$46,130	\$51,037
Other Investments (Note 3)	<u>1,001,178</u>	<u>1,326,654</u>	<u>1,347,570</u>
Total Current Assets	1,100,102	1,372,784	1,398,607
Fixed Assets			
Organizational Costs	17,459	17,459	17,459
Office Furniture and Equipment	<u>5,435</u>	<u>5,435</u>	<u>5,435</u>
Total Fixed Assets	22,894	22,894	22,894
Accumulated Depreciation	<u>(18,256)</u>	<u>(13,831)</u>	<u>(9,405)</u>
Net Fixed Assets	4,638	9,063	13,489
Other Assets			
Security Deposit	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
Total Other Assets	2,400	2,400	2,400
Total Assets	<u>1,107,140</u>	<u>1,384,247</u>	<u>1,414,496</u>
Unrestricted Net Assets	<u>\$1,107,140</u>	<u>\$1,384,247</u>	<u>\$1,414,496</u>

See Accountant's Review Report and Notes to Financial Statements

The Sallan Foundation, Inc.
Statements of Activities
For the 12 Months Ended December 31,

	2008	2007	2006
<u>Revenue</u>			
Investment Income (Loss)	\$(135,414)	\$83,536	\$58,112
<u>Expenses</u>			
Compensation of Officer	75,355	68,896	58,131
Rent and Utilities	17,646	16,403	15,868
Web Site Design and Maintenance	7,355	3,630	5,103
Conference Support and Attendance	375	850	1,530
Depreciation and Amortization Expense	4,425	4,426	4,426
Professional Fees	5,061	2,400	2,570
Writing and Design Services	21,063	9,331	6,350
Portfolio Management Fees	4,657	3,327	3,726
Other Costs	<u>5,756</u>	<u>4,522</u>	<u>4,936</u>
Total Expenses	<u>141,693</u>	<u>113,785</u>	<u>102,640</u>
Net Decrease in Unrestricted Net Assets	<u>(277,107)</u>	<u>(30,249)</u>	<u>(44,528)</u>
Beginning Unrestricted Net Assets	<u>1,384,247</u>	<u>1,414,496</u>	<u>1,459,024</u>
Closing Unrestricted Net Assets	<u>\$1,107,140</u>	<u>\$1,384,247</u>	<u>\$1,414,496</u>

See Accountant's Review Report and Notes to Financial Statements

The Sallan Foundation, Inc
Statements of Cash Flows
For the 12 Months Ended December 31,

	2008	2007	2006
Cash Flows from Operating Activities			
Change in Net Assets	(\$277,107)	(\$30,249)	(\$44,528)
Adjustments to reconcile Deficit to net cash used by operating activities:			
Depreciation and Amortization	<u>4,425</u>	<u>4,426</u>	<u>4,362</u>
Net Cash Used by Operating Activities	(272,682)	(25,823)	(40,166)
Cash Flows from Investing Activities			
Purchase of fixed assets	0	0	(347)
Increase in Security Deposits	0	0	(800)
Unrealized (Gain) Loss on Securities included in change in net assets	145,776	(8,630)	
Transfers into (out of) cash net of income and expenses included in operations	<u>179,700</u>	<u>29,546</u>	<u>(1,347,570)</u>
Net Cash Used (Realized) by Investing Activities	325,476	20,916	(1,348,717)
Net Increase (Decrease) in Cash	52,794	(4,907)	(1,388,883)
Cash – Beginning of the Year	<u>46,130</u>	<u>51,037</u>	<u>1,439,920</u>
Cash – End of the Year	<u>\$98,924</u>	<u>\$46,130</u>	<u>\$51,037</u>
Supplemental Information:			
Income Taxes Paid During the Year	<u>\$1,082</u>	<u>\$493</u>	<u>\$706</u>

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 as of 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 and or working there.

Note 1 - Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Foundation considers all money in its checking and savings accounts to be cash equivalents. Funds, whatever their nature, in the Foundations brokerage accounts are considered to be Other Investments.

Depreciation

Property and equipment are carried at cost. Assets are 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

Support and Revenue

The Foundation has adopted SFAS #116, *Accounting for Contributions received and Contributions Made*. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their expected cash flows. Conditional promises to give are not included in support until the conditions are substantially met. The Foundation reports contributions as restricted support if they are received with donor stipulations limiting the use of the donations or if they are designated for future periods. When donor restrictions expire or the purpose is accomplished, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions of marketable securities are recorded at their fair market value on the date received.

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 a financial institution located in New York City. Bank account cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Its brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$100,000 for cash balances and \$500,000 for securities. At December 31, 2008 the Foundation had no uninsured balance in its bank accounts and had an uninsured balance in its security accounts of \$501,178.

Note 3 – investments

The Foundation maintains an investment account for its financial reserves. All securities in this account are recorded at fair market value as of the balance sheet date and are classified as current assets and available for sale. Significant information regarding this account is as follows:

The main categories of securities owned - at fair market value - are:	2008	2007	2006
Certificates of Deposits	\$81,527	\$158,331	\$236,492
Mutual and Closed End Funds	256,327	432,516	285,609
Corporate Bonds	542,682	543,548	537,580
Government Bonds	0	50,000	49,672
Money Market Funds and Cash	120,642	142,259	119,175
Cost basis of securities owned	1,133,377	1,313,076	1,223,580
Net unrealized gains (loss)-included as a component of the change in unrestricted net assets	(145,776)	13,578	4,948
Total proceeds from Securities Sold	\$88,174	\$0	\$0

Note 4 – Contingencies

The Foundation rents its office space under a lease which expires in February, 2011. Under the terms of this lease the following minimum lease payments are due:

2009	\$16,700
2010	17,800
2011	3,000