

The Sallan Foundation, Inc.

Financial Statements

December 31, 2009

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MARC B. FREEDMAN

CERTIFIED PUBLIC ACCOUNTANT, P.C.

Board of Directors
The Sallan Foundation, Inc.
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Accountants' Report

We have compiled the accompanying statement of financial position of The Sallan Foundation, Inc. (a non-profit corporation) as of December 31, 2009 and the related statements of activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying 2009 financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The accompanying 2008 and 2007 financial statements were previously reviewed by us and our report dated June 12, 2009 stated that we were not aware of any material modifications that should be made to those statements in order for them to be in conformity with generally accepted accounting principles. We have not performed any procedures in connection with that review engagement after the date of our report on the 2008 and 2007 financial statements.

Marc B. Freedman

June 28, 2010

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

Assets

	2009	2008	2007
Current Assets			
Cash in Bank Accounts	\$45,419	\$98,924	\$46,130
Other Investments (Note 3)	<u>1,064,209</u>	<u>1,001,178</u>	<u>1,326,654</u>
Total Current Assets	1,109,628	1,100,102	1,372,784
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>(22,680)</u>	<u>(18,256)</u>	<u>(13,831)</u>
Net Fixed Assets	214	4,638	9,063
Other Assets			
Security Deposit	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
Total Other Assets	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
Total Assets	<u>1,112,242</u>	<u>1,107,140</u>	<u>1,384,247</u>
Unrestricted Net Assets	<u>1,112,242</u>	<u>\$1,107,140</u>	<u>\$1,384,247</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,

	2009	2008	2007
<u>Revenue</u>			
Investment Income (Loss)-- (Note 3)	\$124,423	\$(135,414)	\$83,536
<u>Expenses</u>			
Compensation of Officer	77,616	75,355	68,896
Rent and Utilities	18,728	17,646	16,403
Web Site Design and Maintenance	5,411	7,355	3,630
Conference Support and Attendance	470	375	850
Depreciation and Amortization Expense	4,424	4,425	4,426
Professional Fees	4,230	5,061	2,400
Writing and Design Services	1,375	21,063	9,331
Portfolio Management Fees	1,278	4,657	3,327
Other Costs	<u>5,789</u>	<u>5,756</u>	<u>4,522</u>
Total Expenses	<u>119,321</u>	<u>141,693</u>	<u>113,785</u>
Net Decrease in Unrestricted Net Assets	5,102	(277,107)	(30,249)
Beginning Unrestricted Net Assets	<u>1,107,140</u>	<u>1,384,247</u>	<u>1,414,496</u>
Closing Unrestricted Net Assets	<u>\$1,112,242</u>	<u>\$1,107,140</u>	<u>\$1,384,247</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,

	2009	2008	2007
Cash Flows from Operating Activities			
Change in Net Assets	5,102	(\$277,107)	(\$30,249)
Adjustments to reconcile Deficit to net cash used by operating activities:			
Depreciation and Amortization	<u>4,424</u>	<u>4,425</u>	<u>4,426</u>
Net Cash Used by Operating Activities	9,526	(272,682)	(25,823)
Cash Flows from Investing Activities			
Purchase of fixed assets	0	0	0
Increase in Security Deposits	0	0	0
Unrealized (Gain) Loss on Securities included in change in net assets	(85,285)	145,776	(8,630)
Transfers into (out of) cash net of income and expenses included in operations	<u>22,254</u>	<u>179,700</u>	<u>29,546</u>
Net Cash Used (Realized) by Investing Activities	(63,031)	325,476	20,916
Net Increase (Decrease) in Cash	(53,505)	52,794	(4,907)
Cash – Beginning of the Year	<u>98,924</u>	<u>46,130</u>	<u>51,037</u>
Cash – End of the Year	<u>\$45,419</u>	<u>\$98,924</u>	<u>\$46,130</u>
Supplemental Information:			
Income Taxes Paid During the Year	<u>\$560</u>	<u>\$1,082</u>	<u>\$493</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. Certificates of Deposits and other 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, 2009 the Foundation had no uninsured balance in its bank accounts and had an uninsured balance in its security accounts of \$423,662.

Note 3 – Investments and Fair Value

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

The carrying amounts reflected in the statement of financial position for cash and cash equivalents approximate their fair values due to the short maturities of those instruments. Available-for-sale marketable securities are also recorded at fair value in the statement of financial position. The fair values of these instruments are based primarily on quoted market prices for those or similar instruments.

Significant information regarding this account is as follows:

	2009	2008	2007
The main categories of securities owned - at market value - are:			
Certificates of Deposits	\$135,982	\$81,527	\$158,331
Mutual and Closed End Funds	314,313	256,327	432,516
Corporate Bonds	532,774	542,682	543,548
Government Bonds	0	0	50,000
Money Market Funds and Cash	81,140	120,642	142,259
Cost basis of securities owned	1,106,330	1,133,377	1,313,076
Fair value of securities owned	1,064,209	1,001,178	1,326,654
Net unrealized gains (loss)-included as a component of the change in unrestricted net assets	85,285	(145,776)	8,630
Total proceeds from Securities Sold	\$50,000	\$88,174	\$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:

2010	17,800
2011	3,000

Note 5 – Subsequent Events

Management has evaluated subsequent events through June 22, 2010, the date on which these financial statements were available to be issued.