



***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2017 AND 2016***

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 19

INDEPENDENT AUDITORS' REPORT

To The Trustees
The Valerie Fund
Maplewood, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of The Valerie Fund, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, cash flows, and functional expenses for the years 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 Valerie Fund as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Dorfman Abrams Music, LLC

Saddle Brook, New Jersey

November 6, 2018

THE VALERIE FUND
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2017	2016
Cash and cash equivalents	\$ 1,402,318	\$ 3,600,176
Investments	6,588,154	4,307,757
Accounts receivable	67,653	39,589
Pledges and grants receivable, net	2,476,366	1,911,088
Prepaid expenses and other current assets	109,137	137,810
Property and equipment, net	276,138	268,655
Total assets	\$ 10,919,766	\$ 10,265,075

LIABILITIES AND NET ASSETS

Accounts payable	\$ 167,705	\$ 66,246
Deferred income	64,244	111,747
Accrued expenses	215,063	44,662
Total liabilities	447,012	222,655
Net assets:		
Unrestricted:		
Undesignated funds available for general purpose	5,773,103	5,803,914
Board designated funds available for scholarships	100,000	
Total unrestricted	5,873,103	5,803,914
Temporarily restricted	3,026,142	2,586,172
Permanently restricted	1,573,509	1,652,334
Total net assets	10,472,754	10,042,420
Total liabilities and net assets	\$ 10,919,766	\$ 10,265,075

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

THE VALERIE FUND
STATEMENTS OF ACTIVITIES

	Year ended December 31, 2017			Year ended December 31, 2016				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenue:								
Grants and contributions	\$ 1,171,137	\$ 2,026,057	\$ 7,750	\$ 3,204,944	\$ 1,285,610	\$ 2,724,909	\$ 12,780	\$ 4,023,299
Special events, net	1,834,860	10,865		1,845,725	1,812,065	129,870		1,941,935
Investment income	391,189	35,764		426,953	176,236	33,063		209,299
Total support and revenue	3,397,186	2,072,686	7,750	5,477,622	3,273,911	2,887,842	12,780	6,174,533
Net assets released from restriction	1,719,291	(1,719,291)			1,410,905	(1,410,905)		
Reclassifications of net assets from restrictions		86,575	(86,575)					
Total support and revenue	5,116,477	439,970	(78,825)	5,477,622	4,684,816	1,476,937	12,780	6,174,533
Expenses:								
Program services:								
Hospital Centers	2,803,134			2,803,134	2,500,363			2,500,363
Camps	408,135			408,135	371,763			371,763
Advocacy	750,662			750,662	808,890			808,890
Total program services	3,961,931			3,961,931	3,681,016			3,681,016
Supporting services:								
Management and general Fundraising	168,128			168,128	134,268			134,268
	917,229			917,229	931,426			931,426
Total supporting services	1,085,357			1,085,357	1,065,694			1,065,694
Total expenses	5,047,288			5,047,288	4,746,710			4,746,710
Change in net assets	69,189	439,970	(78,825)	430,334	(61,894)	1,476,937	12,780	1,427,823
Net assets, beginning of year	5,803,914	2,586,172	1,652,334	10,042,420	5,865,808	1,109,235	1,639,554	8,614,597
Net assets, end of year	\$ 5,873,103	\$ 3,026,142	\$ 1,573,509	\$ 10,472,754	\$ 5,803,914	\$ 2,586,172	\$ 1,652,334	\$ 10,042,420

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

THE VALERIE FUND
STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 430,334	\$ 1,427,823
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	29,146	27,934
Discount on pledges receivable	14,107	77,271
Permanently restricted fund contributions	(7,750)	(12,780)
Amortization of bond premium	43,001	45,835
Realized and unrealized gain on investments	(280,432)	(125,085)
Donation of stock	(82,818)	(30,048)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(28,064)	31,273
Pledges receivable and grants receivable	(579,385)	(1,551,210)
Prepaid expenses and other current assets	28,673	18,250
Increase (decrease) in:		
Accounts payable	101,459	12,092
Deferred income	(47,503)	11,511
Accrued expenses	170,401	8,751
	(208,831)	(58,383)
Cash flows from investing activities:		
Purchase of property and equipment	(36,629)	(25,321)
Purchase of investments	(3,374,447)	(1,257,471)
Sale and redemption of investments	1,414,299	998,045
	(1,996,777)	(284,747)
Cash flows from financing activities:		
Permanently restricted contributions	7,750	12,780
	7,750	12,780
Net decrease in cash and cash equivalents	(2,197,858)	(330,350)
Cash and cash equivalents, beginning of year	3,600,176	3,930,526
Cash and cash equivalents, end of year	\$ 1,402,318	\$ 3,600,176

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

THE VALERIE FUND

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2017 and 2016

	Program services expenses							
	Hospital Centers		Camps		Advocacy		Total	
	2017	2016	2017	2016	2017	2016		
Payroll	\$ 140,471	\$ 123,375	\$ 77,342	\$ 91,734	\$ 158,129	\$ 174,295	\$ 375,942	\$ 389,404
Payroll taxes and benefits	28,006	22,123	16,949	25,887	31,407	31,382	76,362	79,392
Total personnel costs	168,477	145,498	94,291	117,621	189,536	205,677	452,304	468,796
Specific grants to Centers	2,424,953	2,217,130					2,424,953	2,217,130
Occupancy and facilities	18,692	13,037	118,559	111,779	19,895	16,699	157,146	141,515
Children's activities			68,106	41,614	62,321	66,606	130,427	108,220
Scholarships					383,197	367,407	383,197	367,407
Other program expenses	145,395	86,060			61,421	108,386	206,816	194,446
Professional fees	2,971	2,580	1,048	915	3,066	2,340	7,085	5,835
Insurance	2,274	2,511	4,546	1,858	2,346	2,277	9,166	6,646
Supplies	2,548	3,279	39,466	27,069	2,716	4,448	44,730	34,796
Communications	17,312	13,122	20,743	15,724	20,352	28,515	58,407	57,361
Transportation	277	295	42,520	44,354	329	694	43,126	45,343
Depreciation expense	17,325	14,818	841	1,024	2,265	2,730	20,431	18,572
Other operating expenses	2,910	2,033	18,015	9,805	3,218	3,111	24,143	14,949
Total expenses	\$ 2,803,134	\$ 2,500,363	\$ 408,135	\$ 371,763	\$ 750,662	\$ 808,890	\$ 3,961,931	\$ 3,681,016
Percentage of total	55.54%	52.68%	8.09%	7.83%	14.87%	17.04%	78.50%	77.55%

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

THE VALERIE FUND

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2017 and 2016

	Management and general		Supporting services expenses		Total		Total program and supporting services expenses	
	2017	2016	2017	2016	2017	2016	2017	2016
Payroll	\$ 96,710	\$ 96,960	\$ 380,209	\$ 390,605	\$ 476,919	\$ 487,565	\$ 852,861	\$ 876,969
Payroll taxes and benefits	19,695	17,161	74,697	70,555	94,392	87,716	170,754	167,108
Total personnel costs	116,405	114,121	454,906	461,160	571,311	575,281	1,023,615	1,044,077
Specific grants to Centers							2,424,953	2,217,130
Occupancy and facilities	14,889	8,775	61,348	42,161	76,237	50,936	233,383	192,451
Children's activities							130,427	108,220
Scholarships							383,197	367,407
Other program expenses							206,816	194,446
Professional fees	27,557	2,340	201,706	127,177	229,263	129,517	236,348	135,352
Insurance	2,273	2,277	6,879	6,642	9,152	8,919	18,318	15,565
Supplies	2,000	2,052	8,394	10,994	10,394	13,046	55,124	47,842
Communications	1,646	1,507	170,390	267,062	172,036	268,569	230,443	325,930
Transportation			1,183	1,452	1,183	1,452	44,309	46,795
Depreciation expense	1,802	1,962	6,913	7,400	8,715	9,362	29,146	27,934
Other operating expenses	1,556	1,234	5,510	7,378	7,066	8,612	31,209	23,561
Total expenses	\$ 168,128	\$ 134,268	\$ 917,229	\$ 931,426	\$ 1,085,357	\$ 1,065,694	\$ 5,047,288	\$ 4,746,710
Percentage of total	3.33%	2.83%	18.17%	19.62%	21.50%	22.45%	100.00%	100.00%

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

THE VALERIE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

1. Summary of significant accounting policies

This summary of significant accounting policies of The Valerie Fund (the Fund) is presented to assist in understanding the Fund's financial statements. The financial statements and notes are representations of the Fund's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America as promulgated in *FASB Accounting Standard Codification* (the Codification) and have been consistently applied in the preparation of the financial statements.

History of the Fund

The Valerie Fund is a 501(c)(3) not-for-profit organization established in 1976 in memory of nine year old Valerie Goldstein by her parents, Ed and Sue.

The Valerie Fund's mission is to provide support for the comprehensive health care of children with cancer and blood disorders.

Families turn to The Valerie Fund because of the unique combination of medical care, counseling, and other services it provides. The Valerie Fund Children's Centers comprise the largest network of healthcare facilities for children with cancer and blood disorders in New Jersey, and one of the largest in the nation. The centers host approximately 26,000 patient visits each year.

Close to Home: Today there are seven Valerie Fund Children's Centers for Cancer and Blood Disorders located in major hospitals in New Jersey, New York, and the Philadelphia area providing caring, comprehensive, state-of-the-art outpatient health care to thousands of children and their families each year. This network means that sick children are able to receive care close to their homes. Before The Valerie Fund, many children - such as Valerie Goldstein - had to travel long distances because the treatment they needed was available only at major medical facilities located in large cities.

The Whole Patient: At The Valerie Fund Centers, patients receive far more than treatment for their physical illnesses. Our philosophy is that to truly heal the children with whose care we are entrusted, we must treat them emotionally, socially, and developmentally, as well as medically.

The Entire Family: Childhood disease strikes not only the child, but the entire family. When a child is a patient at a Valerie Fund Center, a staff of social workers, counselors, psychologists, and child-life specialists enfold the child and the family in a blanket of ongoing, individualized care. We firmly believe this approach is the most effective way to fight childhood disease.

Since 1982, The Valerie Fund has also operated Camp Happy Times, a free one-week overnight camp experience for children aged 5-21 who have or have had cancer. Approximately 200 children attend Camp Happy Times each summer located at the two hundred acre Tyler Hill Camp in Wayne County, Pennsylvania. Camp Happy Times is a proud member of the International Children's Oncology Camping Association.

Camp Happy Times promotes friendship, independence, and a spirit of cooperation for cancer patients and survivors. The CHT philosophy is to provide a recreationally therapeutic environment that engages participants while building self-esteem, confidence, trust and friendship.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

1. Summary of significant accounting policies (continued)

History of the Fund (continued)

The Valerie Fund also engages in year round advocacy and support for the children treated with cancer and blood disorders. Beyond psychosocial care provided for year round, each December children treated at each of the centers are invited to enjoy festive holiday parties with their parents and siblings. These parties bring together as many as 500 at a time for joyous holiday celebrations where patients can enjoy their caregivers in an entirely different setting. The Fund has created a scholarship program to promote the continued education and advancement of children treated at the centers. It also distributes sporting and event tickets provided by donors to enhance the psychological and emotional care of the children under treatment as well as acts year round on behalf of all children fighting these diseases regionally as well as nationally.

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recognized when incurred.

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Fund and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Fund and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Fund. Generally, the donors of these assets permit the Fund to use all or part of the income earned on any related investments for general or specific purposes.

Cash and cash equivalents

For purposes of the statement of cash flows, the Fund considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Restricted cash and cash equivalents are limited in use to the Green Light capital campaign, scholarship grants, emergency funds, and the Fund's endowment.

Allowance for doubtful accounts

The Fund determines whether an allowance for uncollectible accounts receivable should be provided. Such estimates are based on management's assessment of the aged basis for the Fund's receivables, current economic conditions and historical experience. As of December 31, 2017 and 2016, the Fund determined that an allowance was not necessary.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

1. Summary of significant accounting policies (continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values, based on quoted market prices. Unrealized gains and losses are included in the change in net assets. Investment fees are netted against investment return.

Contributions

Contributions, including unconditional pledges, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Pledges are recognized when the conditions on which they depend are substantially met. Bequests are recognized when the Fund receives notification that the probate court has declared the will valid. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Conditional pledges are recognized as income when the conditions of the pledge are met.

Non-cash contributions

The Fund receives donated services from specialized providers and other volunteers that create or enhance non-financial assets and allow the Fund to fulfill its mission. The Fund also uses various volunteers to carry out organizational activities at the summer camp program; the value of these services has not been reflected on the accompanying financial statements.

Non-cash donations, other than professional services, are recorded as support at their estimated fair value at the date of donation.

Property and equipment

Property and equipment are stated at cost. Depreciation is computed on the straight-line and accelerated methods over the estimated useful lives of the assets.

Building and improvements	23 - 39 years
Office equipment	3 - 10 years
Furniture and fixtures	7 years

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income. Expenditures for maintenance and repairs are charged to expense as incurred; replacements and betterments that extend the useful lives are capitalized.

Functional expenses allocation

The cost of providing for the Fund's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

The Fund is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been made.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

1. Summary of significant accounting policies (continued)

Uncertain tax positions

As of December 31, 2017, management believes that based on evaluation of the Fund's tax positions that any liability as a result of uncertain tax positions would not be material. Management continually evaluates expiring statutes of limitations, changes in tax law, and new authoritative rulings to assist in evaluating the Fund's tax positions. Accrued interest and penalties associated with uncertain tax positions, if any, would be recognized as part of the income tax provision. Income tax returns are filed in the U.S. federal jurisdiction and state jurisdictions. U.S. federal and state income tax returns prior to fiscal year 2014 are closed.

Reclassifications

Certain amounts from the 2016 financial statements have been reclassified to conform to the 2017 presentation.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

2. Risks and uncertainties

Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts receivable, and pledges and grants receivable. The Fund maintains its cash and cash equivalents in various high-quality financial institutions located in New Jersey, the balances of which, at times, may exceed federally insured limits. Investments are exposed to various risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. Risk relating to accounts, pledges and grants receivable is limited due to the fact that the receivables are mainly derived from prominent individuals and/or established companies.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Operating cash and cash equivalents	\$ 1,067,617	\$ 3,255,778
Restricted cash and cash equivalents	<u>334,701</u>	<u>344,398</u>
	<u>\$ 1,402,318</u>	<u>\$ 3,600,176</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

4. Investments

Investments securities are stated at fair value and are summarized as follows at December 31:

	2017		2016	
	Amortized cost	Fair value	Amortized cost	Fair value
Stocks	\$ 625,489	\$ 819,604	\$ 673,540	\$ 830,240
Mutual funds	1,151,900	1,241,020	219,715	249,003
Corporate bonds	4,145,269	4,145,780	3,162,995	3,161,513
Other ETP	350,886	381,750	78,136	67,001
	<u>\$ 6,273,544</u>	<u>\$ 6,588,154</u>	<u>\$ 4,134,386</u>	<u>\$ 4,307,757</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

	2017		
	Unrestricted	Temporarily restricted	Total
Dividends and interest	\$ 110,757	\$ 35,764	\$ 146,521
Realized and unrealized gain	280,432		280,432
	<u>\$ 391,189</u>	<u>\$ 35,764</u>	<u>\$ 426,953</u>

	2016		
	Unrestricted	Temporarily restricted	Total
Dividends and interest	\$ 51,151	\$ 33,063	\$ 84,214
Realized and unrealized gain	125,085		125,085
	<u>\$ 176,236</u>	<u>\$ 33,063</u>	<u>\$ 209,299</u>

THE VALERIE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

5. Fair value measurements

The Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs that are not considered to be active;

Level 3 - Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad criteria data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Fund. The Fund considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Fund's perceived risk of that investment.

The classification of the Fund's investment securities at fair value are as follows at December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks	\$ 819,604	\$	\$	\$ 819,604
Mutual funds	1,241,020			1,241,020
Corporate bonds	4,145,780			4,145,780
Exchange traded products	<u>381,750</u>			<u>381,750</u>
	<u>\$ 6,588,154</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,588,154</u>

The classification of the Fund's investment securities at fair value are as follows at December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks	\$ 830,240	\$	\$	\$ 830,240
Mutual funds	249,003			249,003
Corporate bonds	3,161,513			3,161,513
Exchange traded products	<u>67,001</u>			<u>67,001</u>
	<u>\$ 4,307,757</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,307,757</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

6. Accounts receivable

Accounts receivable consists of the following at December 31:

	2017	2016
Accounts receivable	\$ 28,786	\$ 16,970
Miscellaneous receivables	38,867	22,619
	\$ 67,653	\$ 39,589

7. Pledges and grants receivable

Pledges and grants receivable are due as follows at December 31:

	2017	2016
Within one year	\$ 1,041,013	\$ 639,009
One to five years	1,527,475	1,349,261
Thereafter		833
	2,568,488	1,989,103
Less unamortized discount on pledges	92,122	78,015
	\$ 2,476,366	\$ 1,911,088

Pledges receivable due in more than one year are reflected at the present value of estimated cash flows using a risk-free interest rate of approximately 2.20% and 1.93% in 2017 and 2016, respectively.

8. Property and equipment

Property and equipment consists of the following at December 31:

	2017	2016
Land	\$ 50,000	\$ 50,000
Building and improvements	289,417	289,418
Office equipment	177,813	168,943
Furniture and fixtures	21,763	21,763
	538,993	530,124
Less accumulated depreciation	262,855	261,469
	\$ 276,138	\$ 268,655

Depreciation expense at December 31, 2017 and 2016 was \$29,146 and \$27,934, respectively.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

9. Temporarily restricted net assets/net assets released from restrictions

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
Late Effects Program	\$ 108,202	\$ 170,500
Time restrictions	22,437	22,437
Scholarship funds	542,927	520,074
Joe Abrams emergency fund	172	172
General endowment	135,728	113,350
St. Barnabas van service	130,370	27,911
Morristown Memorial Integrated Health		6,614
Morristown Memorial		8,784
Sickle Cell Programs	532	30
Martin Adler Fund	4	4
Green Light Capital Campaign	1,877,955	1,363,687
Monmouth Medical Center		14
TVF Centers - psychologists and social programs	116,228	332,583
Teen Room	16,217	16,217
Morristown - palliative care	2,295	2,295
Grief Speaks	1,500	1,500
Schiller Family Fund	71,575	
	<u>\$ 3,026,142</u>	<u>\$ 2,586,172</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

9. Temporarily restricted net assets/net assets released from restrictions (continued)

Temporarily restricted net assets were released from restrictions during the years ended December 31 for the following purposes:

	<u>2017</u>	<u>2016</u>
Camp Happy Times Relief Fund	\$ 403,865	\$ 308,382
Scholarship grants	383,197	367,407
St. Barnabas van service	38,524	40,244
Morristown Memorial holiday parties	8,888	11,779
Child Life Programs	39,050	37,000
Monmouth Medical Center Child Life	514	3,000
Morristown Memorial Integrated Health	17,841	20,100
Newark Beth Israel holiday parties	7,500	7,500
Holiday parties - other	20,793	17,895
Sickle Cell programs	1,998	195
Teen Room		1,971
Columbia Presbyterian - palliative care		4,469
General endowment	2,159	
TVF Centers - psychologists and social programs	216,805	295,371
TVF Centers - week of support		79,500
TVF Centers - educational liaisons	7,500	23,000
Newark Beth Israel		3,200
Morristown Memorial	14,652	700
Green Light Capital Campaign	451,682	136,313
CHOP Child Life and social workers	22,550	
Walk		34,280
Sing Me to Sleep		2,068
Late Effects Program	62,298	
VGO Robots	4,475	16,531
Schiller Family Fund	15,000	
	<u>\$ 1,719,291</u>	<u>\$ 1,410,905</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

10. Board-Designated Funds Available for Scholarships

As of December 31, 2017, the Board of Directors has designated \$100,000, of unrestricted net assets for "The Kathy Richter" scholarship fund. Since that amount resulted from an internal designation and is not donor restricted, it is classified as unrestricted net assets.

11. Endowment funds

The Fund's endowment consists of several individual funds established for both specific purposes and for the general support of the Fund. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Fund classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as either unrestricted or temporarily restricted net assets depending on the donor's intent.

The Finance Committee of the Board of Trustees of the Fund is responsible for the long-term investment policies for donor-restricted endowment funds. The Board of Trustees established a policy whereby once the general endowment reached \$1,000,000, up to 5% of average market value of the donor restricted endowment fund may be distributed each year to fund operations. However, no such distribution shall be made to the extent it would reduce the value below the endowed corpus. The market value of assets associated with donor restricted endowment funds may fall below the level of the original gift.

The following table presents the changes in the Fund's donor restricted endowment funds for the years ended December 31:

	2017			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, beginning of year	\$ 154,551	\$ 94,605	\$ 1,652,334	\$ 1,901,490
Investment return:				
Interest and dividends		35,765		35,765
Realized and unrealized gains	280,432			280,432
Contributions			7,750	7,750
Appropriation of endowment assets for expenditures		(15,000)		(15,000)
Reclassifications		86,575	(86,575)	
Endowment net assets, end of year	<u>\$ 434,983</u>	<u>\$ 201,945</u>	<u>\$ 1,573,509</u>	<u>\$ 2,210,437</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

11. Endowment funds (continued)

	2016			Total
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	
Endowment net assets, beginning of year	\$ 29,466	\$ 61,556	\$ 1,639,554	\$ 1,730,576
Investment return:				
Interest and dividends		33,063		33,063
Realized and unrealized gain	125,085			125,085
Contributions			12,780	12,780
Appropriation of endowment assets for expenditures		(14)		(14)
Endowment net assets, end of year	<u>\$ 154,551</u>	<u>\$ 94,605</u>	<u>\$ 1,652,334</u>	<u>\$ 1,901,490</u>

Permanently restricted net assets are for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
General endowment	\$ 895,450	\$ 895,450
Lisa Heart Child Life Programs endowment	45,124	45,124
Steve Jones Memorial Camp Happy Times endowment	45,485	45,235
Millie & Gill Camp Happy Times endowment	35,850	35,850
Noah Harris integrative medicine and Noah's Love Puppies endowment	450,000	450,000
St. Barnabas holiday party endowment		86,575
Hannah Xue scholarship endowment	101,600	94,100
	<u>\$ 1,573,509</u>	<u>\$ 1,652,334</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

12. Special events

The Fund sponsored several events during the years ended December 31, 2017 and 2016 to raise additional funds for its charitable activities. The events and the net income derived are as follows:

	2017		
	Income	Expenses	Net
Thanksgiving Ball	\$ 403,461	\$ 156,483	\$ 246,978
Baltusrol Golf Outing	360,450	133,194	227,256
"Careoke"	191,788	22,451	169,337
Burger King Golf Outing	90,810	52,701	38,109
Walkathon	858,117	135,052	723,065
Miscellaneous	127,989	19,311	108,678
Community events	586,032	253,730	332,302
	<u>\$ 2,618,647</u>	<u>\$ 772,922</u>	<u>\$ 1,845,725</u>
	2016		
	Income	Expenses	Net
Thanksgiving Ball	\$ 434,426	\$ 173,764	\$ 260,662
Baltusrol Golf Outing	513,785	155,955	357,830
"Careoke"	207,157	23,077	184,080
Burger King Golf Outing	90,391	39,632	50,759
Walkathon	874,561	207,126	667,435
Miscellaneous	125,592	11,440	114,152
Community events	517,120	217,598	299,522
Dance-A-Thons	8,711	1,216	7,495
	<u>\$ 2,771,743</u>	<u>\$ 829,808</u>	<u>\$ 1,941,935</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

13. Non-cash contributions

The Fund received the following in-kind contributions during the years ended December 31:

	2017	2016
Holiday toy contributions	\$ 60,424	\$ 25,575
Event tickets	42,075	17,476
Supplies for Camp Happy Times	55,406	33,938
Walkathon	142,080	56,854
Billboard advertising	98,275	206,195
Miscellaneous	4,240	7,375
	\$ 402,500	\$ 347,413

The above amounts are included as grants and contributions, and special events in the statement of activities.

14. Subsequent events

Subsequent events have been evaluated through November 6, 2018, which is the date financial statements were available to be issued.