



***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT***

YEARS ENDED DECEMBER 31, 2019 AND 2018

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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 balance sheets as of December 31, 2019 and 2018, 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, 2019 and 2018, 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.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, in 2019 the Fund adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958); and, No. 2014-09 *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to these matters.

Dorfman Abrams Music, LLC

Saddle Brook, New Jersey

November 13, 2020

THE VALERIE FUND

BALANCE SHEETS

ASSETS

	December 31,	
	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 2,029,139	\$ 1,540,701
Investments	7,230,114	6,279,580
Accounts receivable	104,475	116,476
Pledges and grants receivable, net	1,864,093	2,822,327
Restricted cash and cash equivalents	374,308	402,962
Prepaid expenses and other current assets	117,276	107,592
Property and equipment, net	<u>233,457</u>	<u>245,930</u>
Total assets	<u>\$ 11,952,862</u>	<u>\$ 11,515,568</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 51,920	\$ 57,949
Deferred income	275,748	150,644
Accrued expenses	<u>133,784</u>	<u>69,043</u>
Total liabilities	<u>461,452</u>	<u>277,636</u>
Net assets:		
Without donor restrictions	5,812,036	5,314,296
With donor restrictions	<u>5,679,374</u>	<u>5,923,636</u>
Total net assets	<u>11,491,410</u>	<u>11,237,932</u>
Total liabilities and net assets	<u>\$ 11,952,862</u>	<u>\$ 11,515,568</u>

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

THE VALERIE FUND

STATEMENTS OF ACTIVITIES

	Year ended December 31, 2019		Year ended December 31, 2018	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Support and revenue:				
Grants and contributions	\$ 989,721	\$ 1,352,221	\$ 1,239,225	\$ 3,105,896
Special events, net	2,176,780	43,855	1,854,764	5,275
Investment income	161,921	51,681	124,151	44,383
Total support and revenue	3,328,422	1,447,757	3,218,140	3,155,554
Net assets released from restriction	1,692,019	(1,692,019)	1,831,569	(1,831,569)
Total support and revenue	5,020,441	(244,262)	5,049,709	1,323,985
Expenses:				
Program services:				
Hospital Centers	3,153,418		3,041,428	
Camps	356,199		402,584	
Advocacy	785,624		793,076	
Total program services	4,295,241		4,237,088	
Supporting services:				
Management and general Fundraising	129,411		151,755	
	761,142		803,058	
Total supporting services	890,553		954,813	
Total expenses	5,185,794		5,191,901	
Change in net assets from operations	(165,353)	(244,262)	(142,192)	1,323,985
Nonoperating activities:				
Realized and unrealized gain (loss) on investments	663,093		(416,615)	
Total nonoperating activities	663,093		(416,615)	
Change in net assets	497,740	(244,262)	(558,807)	1,323,985
Net assets, beginning of year	5,314,296	5,923,636	5,873,103	4,599,651
Net assets, end of year	\$ 5,812,036	\$ 5,679,374	\$ 5,314,296	\$ 5,923,636

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

THE VALERIE FUND
STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 253,478	\$ 765,178
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	33,994	33,584
Discount on pledges receivable	(77,388)	23,027
Permanently restricted fund contributions		(469)
Amortization of bond premium	18,046	34,870
Realized and unrealized gain (loss) on investments	(663,093)	416,615
Donation of stock	(48,348)	(91,060)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	12,001	(48,823)
Pledges receivable and grants receivable	1,035,622	(368,988)
Prepaid expenses and other current assets	(9,684)	1,545
Increase (decrease) in:		
Accounts payable	(6,029)	(109,756)
Deferred income	125,104	86,400
Accrued expenses	64,741	(146,020)
	738,444	596,103
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(21,521)	(3,376)
Purchase of investments	(1,874,858)	(763,576)
Sale and redemption of investments	1,617,719	711,725
	(278,660)	(55,227)
Net cash used by investing activities		
Cash flows from financing activities:		
Permanently restricted contributions		469
		469
Net cash provided by financing activities		
Net increase in cash and cash equivalents, and Restricted cash and cash equivalents	459,784	541,345
Cash and cash equivalents, and Restricted cash and cash equivalents, beginning of year	1,943,663	1,402,318
Cash and cash equivalents, and Restricted cash and cash equivalents, end of year	\$ 2,403,447	\$ 1,943,663

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

THE VALERIE FUND
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2019 and 2018

	Program services expenses						
	Hospital Centers		Camps		Advocacy		Total
	2019	2018	2019	2018	2019	2018	
Payroll	\$ 155,319	\$ 170,941	\$ 70,960	\$ 76,784	\$ 219,196	\$ 169,621	\$ 417,346
Payroll taxes and benefits	30,162	28,926	16,331	15,947	44,716	29,160	74,033
Total personnel costs	185,481	199,867	87,291	92,731	263,912	198,781	491,379
Specific grants to Centers	2,774,021	2,628,203					2,774,021
Occupancy and facilities	11,520	17,088	110,030	113,715	24,417	13,163	143,966
Children's activities	71,751		54,411	81,777		69,465	151,242
Scholarships					412,399	448,125	448,125
Other program expenses	77,533	141,459			47,047	32,287	173,746
Professional fees	2,438	3,517	878	819	5,558	2,617	6,953
Insurance	1,487	2,959	2,945	4,433	3,388	2,202	9,594
Supplies	2,342	3,244	35,778	36,977	4,964	2,495	42,716
Communications	8,591	23,791	11,113	15,024	16,581	19,434	58,249
Transportation	218	255	42,414	47,312	409	210	47,777
Depreciation expense	16,953	19,082	688	827	4,645	2,806	22,715
Other operating expenses	1,083	1,963	10,651	8,969	2,304	1,491	12,423
Total expenses	\$ 3,153,418	\$ 3,041,428	\$ 356,199	\$ 402,584	\$ 785,624	\$ 793,076	\$ 4,237,088
Percentage of total	60.81%	58.58%	6.87%	7.75%	15.15%	15.28%	81.61%

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

THE VALERIE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

1. Nature of the Organization

The Valerie Fund (the Fund) is a 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 22,500 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 1983, 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 150 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 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.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Fund have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Fund to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Fund. These net assets may be used at the discretion of the Fund's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Fund or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Fund's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to realized and unrealized gains (losses) and other activities considered to be of a more unusual or nonrecurring nature.

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.

Cash and cash equivalents, and Restricted 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.

Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the balance sheet. The Fund invests in various types of investment securities. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the Fund's financial statements. Unrealized gains and losses are included in the changes in net assets without donor restriction for the gains and losses that are unrestricted, and in the changes in net assets with donor restriction for the gains and losses that are restricted for the support of certain programs. Investment fees are netted against the investment income.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

2. Summary of significant accounting policies (continued)

Fair value measurement

U.S. GAAP 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 measurement) 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.

Accounts receivable

Accounts receivable consist of amounts unpaid from special events and donor events. All accounts receivable are expected to be collected within one year.

Pledges and grants receivable

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 estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Allowance for doubtful accounts, and pledges and grants receivable

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, 2019 and 2018, the Fund determined that an allowance was not necessary.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated, less accumulated depreciation. The cost of property and equipment purchased in excess of \$1,000 is capitalized. Depreciation is provided in amounts sufficient to amortize the cost of the property and equipment over the estimated useful lives on a straight-line basis.

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 except for assets traded where no cash is received. Expenditures for maintenance and repairs are charged to expense as incurred; replacements and betterments that extend the useful lives are capitalized.

Revenue and revenue recognition

The Fund recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Bequests are recognized when the Fund receives notification that the probate court has declared the will valid. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Fund recognizes revenue from special events when the event takes place. The Fund records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received.

The Fund has adopted Accounting Standards Update No. 2018-08 Not for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605); and, No. 2014-09 Revenue from Contracts with Customers (Topic 606) as management believes the standards improve the usefulness and understandability of the Fund's financial reporting.

Analysis of various provisions of these standards resulted in no significant change in the way the Fund recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a full retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

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 (see note 14).

THE VALERIE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

2. Summary of significant accounting policies (continued)

Functional expenses allocation

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort and square footage.

Income taxes

The Fund is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Fund has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Fund has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain amounts from the 2018 financial statements have been reclassified to conform to the 2019 presentation.

3. 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, pledges and grants receivable, and restricted cash and cash equivalents. The Fund maintains its cash and cash equivalents and restricted 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. The Fund has not experienced, nor does it anticipate, any losses with respect to such accounts.

The Fund has reviewed its operations in light of the COVID-19 pandemic in order to determine the impact on its operations and finances. The Fund anticipates that revenues will decrease because special events have been held virtually. However, the Fund continues to provide grants to various centers. Based on the above, the Fund believes that the pandemic will have an effect on its operations and finances, but that effect cannot be determined or quantified at this time. In addition, the Federal and State responses to the pandemic could change the analysis done by the Fund, and that change could be material.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

4. Availability and liquidity

The following represents the Fund's financial assets at December 31, 2019:

Financial assets at year end

Cash and cash equivalents	\$ 2,029,139
Investments	7,230,114
Accounts receivable	104,475
Pledges and grants receivable – one year or less	926,042
Restricted cash and cash equivalents	<u>374,308</u>
 Total financial assets	 <u>10,664,078</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	5,679,374
Less net assets with purpose restrictions to be met in less than a year	(1,270,000)
Board designated fund	<u>95,000</u>
	<u>4,504,374</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,159,704</u>
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The Fund's goal is generally to maintain financial assets in the amount of \$1,000,000 to meet 10 weeks of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

In addition, there is a board designated fund established by the governing board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

5. Cash and cash equivalents, and restricted cash and cash equivalents

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

	2019	2018
Operating cash and cash equivalents	\$ 2,029,139	\$ 1,540,701
Restricted cash and cash equivalents	<u>374,308</u>	<u>402,962</u>
	<u>\$ 2,403,447</u>	<u>\$ 1,943,663</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

6. Investments

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

	2019		2018	
	Amortized cost	Fair value	Amortized cost	Fair value
Stocks	\$ 1,875,596	\$ 2,213,635	\$ 638,207	\$ 705,080
Mutual funds			1,151,900	1,058,589
Corporate bonds	4,429,017	4,579,412	4,156,749	4,076,501
Other ETP	378,977	437,067	440,160	439,410
	<u>\$ 6,683,590</u>	<u>\$ 7,230,114</u>	<u>\$ 6,387,016</u>	<u>\$ 6,279,580</u>

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

	2019		
	Without donor restrictions	With donor restrictions	Total
Dividends and interest	\$ 161,921	\$ 51,681	\$ 213,602
Realized and unrealized gain	663,093		663,093
	<u>\$ 825,014</u>	<u>\$ 51,681</u>	<u>\$ 876,695</u>
	2018		
	Without donor restrictions	With donor restrictions	Total
Dividends and interest	\$ 124,151	\$ 44,383	\$ 168,534
Realized and unrealized loss	(416,615)		(416,615)
	<u>\$ (292,464)</u>	<u>\$ 44,383</u>	<u>\$ (248,081)</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

7. Fair value measurement

The classification of the Fund's investment securities at fair value are as follows at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Stocks	\$ 2,213,635	\$	\$	\$ 2,213,635
Corporate bonds	4,579,412			4,579,412
Other ETP	437,067			437,067
	<u>\$ 7,230,114</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,230,114</u>

The classification of the Fund's investment securities at fair value are as follows at December 31, 2018:

	Level 1	Level 2	Level 3	Total
Stocks	\$ 705,080	\$	\$	\$ 705,080
Mutual funds	1,058,589			1,058,589
Corporate bonds	4,076,501			4,076,501
Other ETP	439,410			439,410
	<u>\$ 6,279,580</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,279,580</u>

8. Pledges and grants receivable

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

	2019	2018
Within one year	\$ 926,042	\$ 1,236,313
Two to five years	975,812	1,675,330
Thereafter		25,833
	1,901,854	2,937,476
Less unamortized discount on pledges	<u>37,761</u>	<u>115,149</u>
	<u>\$ 1,864,093</u>	<u>\$ 2,822,327</u>

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 1.69% and 2.51% in 2019 and 2018, respectively.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

9. Property and equipment

Property and equipment consists of the following at December 31:

	2019	2018
Land	\$ 50,000	\$ 50,000
Building and improvements	289,417	289,417
Office equipment	199,760	178,239
Furniture and fixtures	21,763	21,763
	560,940	539,419
Less accumulated depreciation	327,483	293,489
	\$ 233,457	\$ 245,930

Depreciation expense at December 31, 2019 and 2018 was \$33,994 and \$33,584, respectively.

10. Special events

The Fund sponsored several events during the years ended December 31, 2019 and 2018 to raise additional funds for its charitable activities. The events and the net income derived are as follows:

	2019		
	Income	Expenses	Net
Thanksgiving Ball	\$ 738,318	\$ 192,128	\$ 546,190
Baltusrol Golf Outing	489,641	175,197	314,444
"Careoke"	204,654	18,753	185,901
Burger King Golf Outing	78,669	30,394	48,275
Walkathon	892,160	107,635	784,525
Subaru Run	122,379	66,522	55,857
Miscellaneous	154,661	9,219	145,442
Community events	292,820	152,819	140,001
	\$ 2,973,302	\$ 752,667	\$ 2,220,635
	2018		
	Income	Expenses	Net
Thanksgiving Ball	\$ 460,471	\$ 153,479	\$ 306,992
Baltusrol Golf Outing	414,948	139,203	275,745
"Careoke"	206,813	28,980	177,833
Burger King Golf Outing	86,470	37,798	48,672
Walkathon	948,447	136,783	811,664
Subaru Run	116,520	74,525	41,995
Miscellaneous	126,982	3,263	123,719
Community events	94,352	20,933	73,419
	\$ 2,455,003	\$ 594,964	\$ 1,860,039

THE VALERIE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

11. Net assets

Net assets were as follows for the years ended December 31, 2019 and 2018:

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$5,717,036	\$	\$ 5,717,036	\$5,214,296	\$	\$ 5,214,296
Board designated funds available for scholarships	95,000		95,000	100,000		100,000
Specific purpose:						
Late Effects Program		108,202	108,202		108,202	108,202
Scholarship funds		418,922	418,922		473,388	473,388
Joe Abrams emergency fund		16,172	16,172		16,172	16,172
General endowment		179,294	179,294		139,380	139,380
Van service		25,315	25,315		77,843	77,843
Sickle Cell Programs					532	532
Martin Adler Fund		70	70		70	70
Green Light Capital Campaign		3,011,304	3,011,304		3,419,045	3,419,045
TVF Centers - psychologists and social programs		75,000	75,000			
Hematology Social Worker		75,000	75,000			
Teen Room		16,217	16,217		16,217	16,217
CHOP Child Life and social workers		7,500	7,500			
Morristown – holiday party					54	54
Grief Speaks		1,500	1,500		1,500	1,500
Camp Happy Times		113,616	113,616		34,947	34,947
Schiller Family Fund		34,108	34,108		49,108	49,108
St. Joseph		676	676		700	700
Emergency Fund General		20,000	20,000			
Passage of time:						
For periods after December 31		2,500	2,500		12,500	12,500
Endowment		1,573,978	1,573,978		1,573,978	1,573,978
Total net assets	<u>\$5,812,036</u>	<u>\$5,679,374</u>	<u>\$11,491,410</u>	<u>\$5,314,296</u>	<u>\$5,923,636</u>	<u>\$11,237,932</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

11. Net assets (continued)

Releases from net assets with donor restrictions are as follows at December 31:

	2019	2018
Camp Happy Times Relief Fund	\$ 356,199	\$ 402,584
Scholarship grants	412,399	448,125
St. Barnabas van service	52,528	52,527
Morristown Memorial holiday parties	54	10,446
St. Joseph holiday parties	10,024	
Child Life Programs		84,095
Morristown Memorial Integrated Health	11,767	13,173
Newark Beth Israel holiday parties	7,500	7,500
Holiday parties	33,610	
Sickle Cell programs	532	
General endowment		27,459
TVF Centers - psychologists and social programs	75,000	146,228
TVF Centers - educational liaisons		22,500
Morristown Palliative Care		2,295
Green Light Capital Campaign	707,406	554,782
VGO Robots		18,418
Joe Abrams emergency fund		9,000
Passage of time	10,000	9,937
Schiller Family Fund	15,000	22,500
	\$ 1,692,019	\$ 1,831,569

12. Board designated funds available for scholarships

As of December 31, 2019 and 2018, the Board of Directors has designated \$95,000 and \$100,000, respectively, of net assets without donor restrictions for "The Kathy Richter" scholarship fund. Since that amount resulted from an internal designation and is not donor restricted, it is classified as net assets without donor restrictions.

THE VALERIE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

13. Endowment

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.

GAAP provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) which was enacted in the State of New Jersey in June 2009.

The Fund interprets the UPMIFA of the State of New Jersey, requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowments, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time accumulation is added to the fund.

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 VALERIE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

13. Endowment funds (continued)

Changes in the Fund's endowment net assets for the years ended December 31, 2019 are as follows:

	Without donor restrictions	With donor restrictions			Total endowment
	Funds functioning as endowment	Appreciation	Historical gift value	Total	
Endowment net assets, beginning of year	\$ 161,632	\$ 216,713	\$ 1,573,978	\$ 1,790,691	\$ 1,952,323
Investment return:					
Interest and dividends		51,681		51,681	51,681
Net depreciation, realized and unrealized	117,476				117,476
Total investment return	117,476	51,681		51,681	169,157
Contributions					
Appropriation of endowment assets		(34,112)		(34,112)	(34,112)
Endowment net assets, end of year	\$ 279,108	\$ 234,282	\$ 1,573,978	\$ 1,808,260	\$ 2,087,368

Changes in the Fund's endowment net assets for the years ended December 31, 2018 are as follows:

	Without donor restrictions	With donor restrictions			Total endowment
	Funds functioning as endowment	Appreciation	Historical gift value	Total	
Endowment net assets, beginning of year	\$ 313,892	\$ 199,786	\$ 1,573,509	\$ 1,773,295	\$ 2,087,187
Investment return:					
Interest and dividends		44,386		44,386	44,386
Net appreciation, realized and unrealized	(152,260)				(152,260)
Total investment return	(152,260)	44,386		44,386	(107,874)
Contributions			469	469	469
Appropriation of endowment assets		(27,459)		(27,459)	(27,459)
Reclassifications					
Endowment net assets, end of year	\$ 161,632	\$ 216,713	\$ 1,573,978	\$ 1,790,691	\$ 1,952,323

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

13. Endowment funds (continued)

Endowment funds are for the following purposes at December 31:

	2019	2018
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	45,485
Millie & Gill Camp Happy Times endowment	35,850	35,850
Noah Harris integrative medicine and Noah's Love Puppies endowment	450,469	450,469
Hannah Xue scholarship endowment	101,600	101,600
	\$ 1,573,978	\$ 1,573,978

14. Non-cash contributions

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

	2019	2018
Holiday toy contributions	\$ 4,075	\$ 91,993
Event tickets	29,996	5,373
Supplies for Camp Happy Times	85,401	70,907
Walkathon	80,689	35,825
Billboard advertising	87,237	108,332
Miscellaneous	3,610	11,000
	\$ 291,008	\$ 323,430

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

15. Subsequent events

The Fund has evaluated subsequent events through November 13, 2020, which is the date the financial statements were available to be issued. The Fund is not aware of any material subsequent events, except as follows.

In April 2020, the Fund was granted a loan in the amount of \$181,508 pursuant to the Paycheck Protection Program under the CARES Act. Under the terms of this loan, loans could be fully forgiven when used for payroll costs and utilities. The Fund intends to use the entire loan amount for qualifying expenses.