

INDEPENDENT AUDITORS' REPORT

To The Trustees
The Valerie Fund
Maplewood, New Jersey

We have audited the accompanying financial statements of The Valerie Fund which comprise the statements of financial position as of December 31, 2015 and 2014, 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, 2015 and 2014, and the changes in 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

July 19, 2016

THE VALERIE FUND
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2015	2014
Cash and cash equivalents	\$ 3,930,526	\$ 3,493,955
Investments	3,939,033	3,766,741
Accounts receivable	70,862	61,016
Pledges and grants receivable, net	437,149	791,921
Prepaid expenses and other current assets	156,060	140,154
Property and equipment, net	271,268	238,654
Total assets	\$ 8,804,898	\$ 8,492,441

LIABILITIES AND NET ASSETS

Accounts payable	\$ 54,154	\$ 105,611
Deferred income	100,236	37,680
Accrued expenses	35,911	30,164
Total liabilities	190,301	173,455
Net assets:		
Unrestricted	5,865,808	5,475,756
Temporarily restricted	1,109,235	1,220,926
Permanently restricted	1,639,554	1,622,304
Total net assets	8,614,597	8,318,986
Total liabilities and net assets	\$ 8,804,898	\$ 8,492,441

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

THE VALERIE FUND
STATEMENTS OF ACTIVITIES

	Year ended December 31, 2015			Year ended December 31, 2014				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenue:								
Grants and contributions	\$ 1,475,484	\$ 933,716	\$ 17,250	\$ 2,426,450	\$ 2,593,286	\$ 912,286	\$ 74,708	\$ 3,580,280
Special events, net	1,750,938	80,392		1,831,330	1,688,736	164,879		1,853,615
Investment income	(15,359)	34,957		19,598	52,378	26,001		78,379
Total support and revenue	3,211,063	1,049,065	17,250	4,277,378	4,334,400	1,103,166	74,708	5,512,274
Net assets released from restriction	1,160,756	(1,160,756)			857,870	(857,870)		
	4,371,819	(111,691)	17,250	4,277,378	5,192,270	245,296	74,708	5,512,274
Expenses:								
Program services:								
Hospital Centers	2,274,145			2,274,145	2,061,292			2,061,292
Camps	415,234			415,234	395,731			395,731
Advocacy	617,734			617,734	514,366			514,366
Total program services	3,307,113			3,307,113	2,971,389			2,971,389
Supporting services:								
Management and general	135,924			135,924	137,132			137,132
Fund raising	538,730			538,730	508,874			508,874
Total supporting services	674,654			674,654	646,006			646,006
Total expenses	3,981,767			3,981,767	3,617,395			3,617,395
Change in net assets	390,052	(111,691)	17,250	295,611	1,574,875	245,296	74,708	1,894,879
Net assets, beginning of year	5,475,756	1,220,926	1,622,304	8,318,986	3,900,881	975,630	1,547,596	6,424,107
Net assets, end of year	\$ 5,865,808	\$ 1,109,235	\$ 1,639,554	\$ 8,614,597	\$ 5,475,756	\$ 1,220,926	\$ 1,622,304	\$ 8,318,986

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

THE VALERIE FUND
STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 295,611	\$ 1,894,879
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	21,447	16,060
Uncollectible pledges and grants	17,500	19,000
Discount on pledges receivable	(3,078)	(7,761)
Permanently restricted fund contributions	(17,250)	(74,708)
Amortization of bond premium	52,730	28,701
Realized and unrealized (gain) loss on investments	80,749	(8,600)
Donation of stock	(14,684)	(16,187)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(9,846)	(21,205)
Bequest receivable		12,805
Pledges receivable and grants receivable	340,350	239,655
Prepaid expenses and other current assets	(15,906)	(51,483)
Increase (decrease) in:		
Grant allocations payable		(39,632)
Accounts payable	(51,457)	92,821
Deferred income	62,556	(111,024)
Accrued expenses	5,747	(167,458)
Net cash provided by operating activities	764,469	1,805,863
Cash flows from investing activities:		
Purchase of property and equipment	(54,061)	(16,001)
Purchase of investments	(1,807,416)	(2,899,143)
Sale and redemption of investments	1,516,329	6,477
Net cash used by investing activities	(345,148)	(2,908,667)
Cash flows from financing activities:		
Permanently restricted contributions	17,250	74,708
Net cash provided by financing activities	17,250	74,708
Net increase (decrease) in cash and cash equivalents	436,571	(1,028,096)
Cash and cash equivalents, beginning of year	3,493,955	4,522,051
Cash and cash equivalents, end of year	\$ 3,930,526	\$ 3,493,955

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

THE VALERIE FUND
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2015 and 2014

	Program services expenses						
	Hospital Centers		Camps		Advocacy		Total
	2015	2014	2015	2014	2015	2014	
Payroll	\$ 132,711	\$ 127,818	\$ 79,599	\$ 75,320	\$ 175,089	\$ 155,952	\$ 387,399
Payroll taxes and benefits	23,336	19,518	17,316	16,757	33,307	24,604	73,959
Total personnel costs	156,047	147,336	96,915	92,077	208,396	180,556	461,358
Specific grants to Centers	1,924,437	1,737,694					1,924,437
Occupancy and facilities	14,406	18,203	111,088	112,821	16,791	24,537	142,285
Children's activities	20,906	6,055	55,709	56,154			76,615
Scholarships					245,767	183,361	245,767
Other program expenses	120,990	125,331		147	96,619	84,188	217,609
Professional fees	7,338	2,250	2,922	1,035	10,458	2,910	20,718
Insurance	2,737	2,194	2,560	1,009	2,737	2,838	8,034
Supplies	2,184	2,914	40,760	35,126	2,576	4,234	45,520
Communications	15,793	15,030	26,888	26,968	26,249	23,839	68,930
Transportation	393	300	56,175	51,570	694	488	57,262
Depreciation expense	6,983	2,401	1,348	1,211	3,436	3,233	11,767
Other operating expenses	1,931	1,584	20,869	17,613	4,011	4,182	26,811
Bad debt expense							
	\$ 2,274,145	\$ 2,061,292	\$ 415,234	\$ 395,731	\$ 617,734	\$ 514,366	\$ 3,307,113
Percentage of total	57.11%	56.98%	10.43%	10.94%	15.51%	14.22%	83.06%
							\$ 2,971,389
							60,879
							419,969
							1,737,694
							155,561
							62,209
							183,361
							209,666
							6,195
							6,041
							42,274
							65,837
							52,358
							6,845
							23,379

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

THE VALERIE FUND
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2015 and 2014

	Management and general		Supporting services expenses		Total		Total program and supporting services expenses	
	2015	2014	2015	2014	2015	2014	2015	2014
Payroll	\$ 96,010	\$ 93,340	\$ 332,870	\$ 302,836	\$ 428,880	\$ 396,176	\$ 816,279	\$ 755,266
Payroll taxes and benefits	13,145	12,794	67,463	49,412	80,508	62,206	154,567	123,085
Total personnel costs	109,155	106,134	400,333	352,248	509,488	458,382	970,846	878,351
Specific grants to Centers								
Occupancy and facilities	10,911	17,576	33,007	51,627	43,918	69,203	1,924,437	1,737,694
Children's activities							186,203	224,764
Scholarships							76,615	62,209
Other program expenses							245,767	183,361
Professional fees	3,150	2,610	18,132	6,195	21,282	8,805	217,609	209,666
Insurance	2,647	2,546	5,958	6,042	8,605	8,588	42,000	15,000
Supplies	1,616	1,758	5,025	8,729	6,641	10,487	16,639	14,629
Communications	2,051	2,019	41,613	48,056	43,664	50,075	52,161	52,761
Transportation			1,064	976	1,064	976	112,594	115,912
Depreciation expense	2,650	2,411	7,030	6,804	9,680	9,215	58,326	53,334
Other operating expenses	3,744	2,078	9,068	9,197	12,812	11,275	21,447	16,060
Bad debt expense			17,500	19,000	17,500	19,000	39,623	34,654
	\$ 135,924	\$ 137,132	\$ 538,730	\$ 508,874	\$ 674,654	\$ 646,006	\$ 3,981,767	\$ 3,617,395
Percentage of total	3.41%	3.79%	13.53%	14.07%	16.94%	17.86%	100.00%	100.00%

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

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

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 25,000 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, 2015 and 2014

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 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, 2015 and 2014, the Fund determined that an allowance was not necessary.

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.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

1. Summary of significant accounting policies (continued)

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 income 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, 2015 and 2014

1. Summary of significant accounting policies (continued)

Uncertain tax positions

As of December 31, 2015, 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 2012 are closed.

Reclassifications

Certain amounts from the 2014 financial statements have been reclassified to conform to the 2015 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 and grants receivable is limited due to the fact that the receivables are mainly derived from governmental agencies and have short payment terms. Concentration of credit risk with respect to accounts receivable, and pledges and grants receivable is not considered to be significant.

3. Cash and cash equivalents

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

	<u>2015</u>	<u>2014</u>
Operating cash and cash equivalents	\$ 3,679,076	\$ 3,263,793
Restricted cash and cash equivalents	<u>251,450</u>	<u>230,162</u>
	<u>\$ 3,930,526</u>	<u>\$ 3,493,955</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

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, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks	\$ 755,499	\$	\$	\$ 755,499
Mutual funds	177,669			177,669
Corporate bonds	<u>3,005,865</u>			<u>3,005,865</u>
	<u>\$ 3,939,033</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,939,033</u>

The classification of the Fund's investment securities at fair value are as follows at December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks	\$ 740,990	\$	\$	\$ 740,990
Mutual funds	622,317			622,317
Corporate bonds	<u>2,403,434</u>			<u>2,403,434</u>
	<u>\$ 3,766,741</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,766,741</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

6. Accounts receivable

Accounts receivable consists of the following at December 31:

	2015	2014
Accounts receivable	\$ 44,250	\$ 36,950
Miscellaneous receivables	26,612	24,066
	\$ 70,862	\$ 61,016

7. Pledges and grants receivable

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

	2015	2014
Within one year	\$ 417,893	\$ 504,243
One to five years	20,000	291,500
	437,893	795,743
Less unamortized discount on pledges	744	3,822
	\$ 437,149	\$ 791,921

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 1.53% and 1.65% in 2015 and 2014, respectively.

8. Property and equipment

Property and equipment consists of the following at December 31:

	2015	2014
Land	\$ 50,000	\$ 50,000
Building and improvements	279,958	279,958
Office equipment	174,832	120,771
Furniture and fixtures	21,763	21,763
	526,553	472,492
Less accumulated depreciation	255,285	233,838
	\$ 271,268	\$ 238,654

Depreciation expense at December 31, 2015 and 2014 was \$21,447 and \$16,060, respectively.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

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

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

	<u>2015</u>	<u>2014</u>
Late Effects Program	\$ 170,500	\$ 170,500
Time restrictions	22,437	22,437
Scholarship funds	534,981	425,211
Camp Happy Times and Camp Relief Fund	1,485	49,175
Joe Abrams emergency fund	172	8,047
General endowment	82,401	48,013
St. Barnabas van service	68,155	105,042
Morristown Memorial holiday parties	4,279	7,424
Morristown Memorial Integrated Health	24,600	24,600
Morristown Memorial	8,784	8,784
Sickle Cell programs		3,383
Martin Adler Fund	4	4
Newark Beth Israel holiday party		420
Monmouth Medical Center Child Life		750
TVF Centers – Psychologists and Social Programs	157,954	326,856
Teen Room	18,188	20,280
Columbia Presbyterian – Palliative Care	4,469	
Morristown – Palliative Care	2,295	
VGO Robots	8,531	
	<u>\$ 1,109,235</u>	<u>\$ 1,220,926</u>

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

	<u>2015</u>	<u>2014</u>
Camp Happy Times Relief Fund	\$ 415,661	\$ 325,304
Scholarship grants	245,767	183,361
St. Barnabas van service	36,887	49,533
Morristown Memorial holiday parties	10,645	7,812
Joe Abrams emergency funds	7,875	12,678
Child Life Programs	47,700	93,952
Monmouth Medical Center Child Life	5,750	5,000
Morristown Memorial Integrated Health		20,400
Newark Beth Israel holiday parties	7,920	7,750
Holiday parties - other	5,883	5,603
Sickle Cell programs	3,408	588
Teen Room	2,092	995
Columbia Presbyterian palliative care	115,861	41,000
Morristown palliative care	24,705	
TVF Centers – Psychologists and Social Programs	168,902	103,894
VGO Robots	61,700	
	<u>\$ 1,160,756</u>	<u>\$ 857,870</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

10. 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:

	2015			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, beginning of year	\$ 110,215	\$ 27,096	\$ 1,622,304	\$ 1,759,615
Investment return:				
Interest and dividends		34,958		34,958
Realized and unrealized loss	(80,749)			(80,749)
Contributions			17,250	17,250
Appropriation of endowment assets for expenditures		(498)		(498)
Endowment net assets, end of year	<u>\$ 29,466</u>	<u>\$ 61,556</u>	<u>\$ 1,639,554</u>	<u>\$ 1,730,576</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

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10. Endowment funds (continued)

	2014			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, beginning of year	\$ 101,615	\$ 1,590	\$ 1,547,596	\$ 1,650,801
Investment return:				
Interest and dividends		26,001		26,001
Realized and unrealized gains	8,600			8,600
Contributions			74,708	74,708
Appropriation of endowment assets for expenditures		(495)		(495)
Endowment net assets, end of year	<u>\$ 110,215</u>	<u>\$ 27,096</u>	<u>\$ 1,622,304</u>	<u>\$ 1,759,615</u>

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

	2015	2014
General endowment	\$ 895,170	\$ 895,170
Lisa Heart Child Life Programs endowment	45,124	45,124
Steve Jones Memorial Camp Happy Times endowment	45,235	40,485
Millie & Gill Camp Happy Times endowment	35,850	30,850
Noah Harris integrative medicine and Noah's Love Puppies endowment	450,000	450,000
St. Barnabas holiday party endowment	86,575	86,575
Hannah Xue scholarship endowment	81,600	74,100
	<u>\$ 1,639,554</u>	<u>\$ 1,622,304</u>

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11. Special events

The Fund sponsored several events during the years ended December 31, 2015 and 2014 to raise additional funds for its charitable activities. The events and the net income derived are as follows:

	2015		
	Income	Expenses	Net
Thanksgiving Ball	\$ 439,975	\$ 171,814	\$ 268,161
Holiday parties		29,171	(29,171)
Baltusrol Golf Outing	425,864	156,544	269,320
"Careoke"	203,639	24,975	178,664
Burger King Golf Outing	109,815	50,811	59,004
Walkathon	947,827	212,205	735,622
Miscellaneous	107,887	17,851	90,036
Community events	444,435	190,264	254,171
Dance-A-Thons	8,345	2,822	5,523
	<u>\$ 2,687,787</u>	<u>\$ 856,457</u>	<u>\$ 1,831,330</u>

	2014		
	Income	Expenses	Net
Thanksgiving Ball	\$ 565,488	\$ 152,929	\$ 412,559
Holiday parties		33,979	(33,979)
Baltusrol Golf Outing	384,625	149,137	235,488
"Careoke"	208,289	20,653	187,636
Burger King Golf Outing	94,785	43,568	51,217
Walkathon	997,435	177,915	819,520
Miscellaneous	68,802	8,831	59,971
Community events	201,792	95,210	106,582
Dance-A-Thons	21,139	6,518	14,621
	<u>\$ 2,542,355</u>	<u>\$ 688,740</u>	<u>\$ 1,853,615</u>

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12. Non-cash contributions

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

	2015	2014
Holiday toy contributions	\$ 31,007	\$ 44,490
Holiday parties		4,350
Event tickets	8,012	26,706
Supplies for Camp Happy Times	43,846	43,294
Walkathon	38,361	32,093
Miscellaneous	7,685	10,050
	\$ 128,911	\$ 160,983

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

13. Subsequent events

Subsequent events have been evaluated through July 19, 2016, which is the date financial statements were available to be issued.