



***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2016 AND 2015***

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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 statements of financial position as of December 31, 2016 and 2015, 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, 2016 and 2015, 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

November 2, 2017

THE VALERIE FUND
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2016	2015
Cash and cash equivalents	\$ 3,600,176	\$ 3,930,526
Investments	4,307,757	3,939,033
Accounts receivable	39,589	70,862
Pledges and grants receivable, net	1,911,088	437,149
Prepaid expenses and other current assets	137,810	156,060
Property and equipment, net	268,655	271,268
 Total assets	 \$ 10,265,075	 \$ 8,804,898

LIABILITIES AND NET ASSETS

Accounts payable	\$ 66,246	\$ 54,154
Deferred income	111,747	100,236
Accrued expenses	44,662	35,911
 Total liabilities	 222,655	 190,301
 Net assets:		
Unrestricted	5,803,914	5,865,808
Temporarily restricted	2,586,172	1,109,235
Permanently restricted	1,652,334	1,639,554
 Total net assets	 10,042,420	 8,614,597
 Total liabilities and net assets	 \$ 10,265,075	 \$ 8,804,898

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

THE VALERIE FUND

STATEMENTS OF ACTIVITIES

	Year ended December 31, 2016			Year ended December 31, 2015				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenue:								
Grants and contributions	\$ 1,274,376	\$ 2,724,909	\$ 12,780	\$ 4,012,065	\$ 1,475,484	\$ 933,716	\$ 17,250	\$ 2,426,450
Special events, net	1,781,999	129,870		1,911,869	1,750,938	80,392		1,831,330
Investment income	176,236	33,063		209,299	(15,359)	34,957		19,598
Total support and revenue	3,232,611	2,887,842	12,780	6,133,233	3,211,063	1,049,065	17,250	4,277,378
Net assets released from restriction	1,410,905	(1,410,905)			1,160,756	(1,160,756)		
Total support and revenue	4,643,516	1,476,937	12,780	6,133,233	4,371,819	(111,691)	17,250	4,277,378
Expenses:								
Program services:								
Hospital Centers	2,525,669			2,525,669	2,274,145			2,274,145
Camps	371,763			371,763	415,234			415,234
Advocacy	742,284			742,284	617,734			617,734
Total program services	3,639,716			3,639,716	3,307,113			3,307,113
Supporting services:								
Management and general Fundraising	134,268			134,268	135,924			135,924
	931,426			931,426	538,730			538,730
Total supporting services	1,065,694			1,065,694	674,654			674,654
Total expenses	4,705,410			4,705,410	3,981,767			3,981,767
Change in net assets	(61,894)	1,476,937	12,780	1,427,823	390,052	(111,691)	17,250	295,611
Net assets, beginning 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
Net assets, end 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

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

THE VALERIE FUND
STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 1,427,823	\$ 295,611
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	27,934	21,447
Uncollectible pledges and grants		17,500
Discount on pledges receivable	77,271	(3,078)
Permanently restricted fund contributions	(12,780)	(17,250)
Amortization of bond premium	45,835	52,730
Realized and unrealized (gain) loss on investments	(125,085)	80,749
Donation of stock	(30,048)	(14,684)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	31,273	(9,846)
Pledges receivable and grants receivable	(1,551,210)	340,350
Prepaid expenses and other current assets	18,250	(15,906)
Increase (decrease) in:		
Accounts payable	12,092	(51,457)
Deferred income	11,511	62,556
Accrued expenses	8,751	5,747
Net cash provided (used) by operating activities	(58,383)	764,469
Cash flows from investing activities:		
Purchase of property and equipment	(25,321)	(54,061)
Purchase of investments	(1,257,471)	(1,807,416)
Sale and redemption of investments	998,045	1,516,329
Net cash used by investing activities	(284,747)	(345,148)
Cash flows from financing activities:		
Permanently restricted contributions	12,780	17,250
Net cash provided by financing activities	12,780	17,250
Net increase (decrease) in cash and cash equivalents	(330,350)	436,571
Cash and cash equivalents, beginning of year	3,930,526	3,493,955
Cash and cash equivalents, end of year	\$ 3,600,176	\$ 3,930,526

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

THE VALERIE FUND

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2016 and 2015

	Program services expenses						Total	
	Hospital Centers		Camps		Advocacy			
	2016	2015	2016	2015	2016	2015		
Payroll	\$ 123,375	\$ 132,711	\$ 91,734	\$ 79,599	\$ 174,295	\$ 175,089	\$ 389,404	\$ 387,399
Payroll taxes and benefits	22,123	23,336	25,887	17,316	31,382	33,307	79,392	73,959
Total personnel costs	145,498	156,047	117,621	96,915	205,677	208,396	468,796	461,358
Specific grants to Centers	2,217,130	1,924,437					2,217,130	1,924,437
Occupancy and facilities	13,037	14,406	111,779	111,088	16,699	16,791	141,515	142,285
Children's activities	25,306	20,906	41,614	55,709			66,920	76,615
Scholarships					367,407	245,767	367,407	245,767
Other program expenses	86,060	120,990			108,386	96,619	194,446	217,609
Professional fees	2,580	7,338	915	2,922	2,340	10,458	5,835	20,718
Insurance	2,511	2,737	1,858	2,560	2,277	2,737	6,646	8,034
Supplies	3,279	2,184	27,069	40,760	4,448	2,576	34,796	45,520
Communications	13,122	15,793	15,724	26,888	28,515	26,249	57,361	68,930
Transportation	295	393	44,354	56,175	694	694	45,343	57,262
Depreciation expense	14,818	6,983	1,024	1,348	2,730	3,436	18,572	11,767
Other operating expenses	2,033	1,931	9,805	20,869	3,111	4,011	14,949	26,811
Bad debt expense								
Total expenses	\$ 2,525,669	\$ 2,274,145	\$ 371,763	\$ 415,234	\$ 742,284	\$ 617,734	\$ 3,639,716	\$ 3,307,113
Percentage of total	53.68%	57.11%	7.90%	10.43%	15.78%	15.51%	77.35%	83.06%

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

THE VALERIE FUND
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2016 and 2015

	Management and general		Supporting services expenses		Total		Total program and supporting services expenses	
	2016	2015	2016	2015	2016	2015	2016	2015
Payroll	\$ 96,960	\$ 96,010	\$ 390,605	\$ 332,870	\$ 487,565	\$ 428,880	\$ 876,969	\$ 816,279
Payroll taxes and benefits	17,161	13,145	70,555	67,463	87,716	80,608	167,108	154,567
Total personnel costs	114,121	109,155	461,160	400,333	575,281	509,488	1,044,077	970,846
Specific grants to Centers							2,217,130	1,924,437
Occupancy and facilities	8,775	10,911	42,161	33,007	50,936	43,918	192,451	186,203
Children's activities							66,920	76,615
Scholarships							367,407	245,767
Other program expenses							194,446	217,609
Professional fees	2,340	3,150	127,177	18,132	129,517	21,282	135,352	42,000
Insurance	2,277	2,647	6,642	5,958	8,919	8,605	15,565	16,639
Supplies	2,052	1,616	10,994	5,025	13,046	6,641	47,842	52,161
Communications	1,507	2,051	267,062	41,613	268,569	43,664	325,930	112,594
Transportation			1,452	1,064	1,452	1,064	46,795	58,326
Depreciation expense	1,962	2,650	7,400	7,030	9,362	9,680	27,934	21,447
Other operating expenses	1,234	3,744	7,378	9,068	8,612	12,812	23,561	39,623
Bad debt expense				17,500		17,500		17,500
Total expenses	\$ 134,268	\$ 135,924	\$ 931,426	\$ 538,730	\$ 1,065,694	\$ 674,654	\$ 4,705,410	\$ 3,981,767
Percentage of total	2.85%	3.41%	19.79%	13.53%	22.65%	16.94%	100.00%	100.00%

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

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

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, 2016 and 2015

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, 2016 and 2015, 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, 2016 and 2015

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 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, 2016 and 2015

1. Summary of significant accounting policies (continued)

Uncertain tax positions

As of December 31, 2016, 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 2013 are closed.

Reclassifications

Certain amounts from the 2015 financial statements have been reclassified to conform to the 2016 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:

	2016	2015
Operating cash and cash equivalents	\$ 3,255,778	\$ 3,679,076
Restricted cash and cash equivalents	344,398	251,450
	\$ 3,600,176	\$ 3,930,526

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

4. Investments

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

	2016		2015	
	Amortized cost	Fair value	Amortized cost	Fair value
Stocks	\$ 673,540	\$ 830,240	\$ 676,063	\$ 755,499
Mutual funds	219,715	249,003	170,922	177,669
Corporate bonds	3,162,995	3,161,513	3,046,610	3,005,865
Other ETP	78,136	67,001		
	<u>\$ 4,134,386</u>	<u>\$ 4,307,757</u>	<u>\$ 3,893,595</u>	<u>\$ 3,939,033</u>

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

	2016		
	Unrestricted	Temporarily restricted	Total
Dividends and interest	\$ 66,162	\$ 39,171	\$ 105,333
Realized and unrealized gain	125,085		125,085
Investment fees	(15,011)	(6,108)	(21,119)
	<u>\$ 176,236</u>	<u>\$ 33,063</u>	<u>\$ 209,299</u>
	2015		
	Unrestricted	Temporarily restricted	Total
Dividends and interest	\$ 69,494	\$ 34,957	\$ 104,451
Realized and unrealized loss	(80,749)		(80,749)
Investment fees	(4,104)		(4,104)
	<u>\$ (15,359)</u>	<u>\$ 34,957</u>	<u>\$ 19,598</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

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, 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	67,001			67,001
	<u>\$ 4,307,757</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,307,757</u>

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	3,005,865			3,005,865
	<u>\$ 3,939,033</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,939,033</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

6. Accounts receivable

Accounts receivable consists of the following at December 31:

	2016	2015
Accounts receivable	\$ 16,970	\$ 44,250
Miscellaneous receivables	22,619	26,612
	\$ 39,589	\$ 70,862

7. Pledges and grants receivable

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

	2016	2015
Within one year	\$ 639,009	\$ 417,893
One to five years	1,349,261	20,000
Thereafter	833	
	1,989,103	437,893
Less unamortized discount on pledges	78,015	744
	\$ 1,911,088	\$ 437,149

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 1.93% and 1.53% in 2016 and 2015, respectively.

8. Property and equipment

Property and equipment consists of the following at December 31:

	2016	2015
Land	\$ 50,000	\$ 50,000
Building and improvements	289,418	279,958
Office equipment	168,943	174,832
Furniture and fixtures	21,763	21,763
	530,124	526,553
Less accumulated depreciation	261,469	255,285
	\$ 268,655	\$ 271,268

Depreciation expense at December 31, 2016 and 2015 was \$27,934 and \$21,447, respectively.

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

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

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

	<u>2016</u>	<u>2015</u>
Late Effects Program	\$ 170,500	\$ 170,500
Time restrictions	22,437	22,437
Scholarship funds	520,074	534,981
Camp Happy Times and Camp Relief Fund		1,485
Joe Abrams emergency fund	172	172
General endowment	113,350	82,401
St. Barnabas van service	27,911	68,155
Morristown Memorial holiday parties		4,279
Morristown Memorial Integrated Health	6,614	24,600
Morristown Memorial	8,784	8,784
Sickle Cell programs	30	
Martin Adler Fund	4	4
Green Light capital campaign	1,363,687	
Monmouth Medical Center	14	
TVF Centers - psychologists and social programs	332,583	157,954
Teen Room	16,217	18,188
Columbia Presbyterian - palliative care		4,469
Morristown - palliative care	2,295	2,295
Grief Speaks	1,500	
VGO Robots		8,531
	<u>\$ 2,586,172</u>	<u>\$ 1,109,235</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

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>2016</u>	<u>2015</u>
Camp Happy Times Relief Fund	\$ 308,382	\$ 415,661
Scholarship grants	367,407	245,767
St. Barnabas van service	40,244	36,887
Morristown Memorial holiday parties	11,779	10,645
Joe Abrams emergency fund		7,875
Child Life Programs	37,000	47,700
Monmouth Medical Center Child Life	3,000	5,750
Morristown Memorial Integrated Health	20,100	
Newark Beth Israel holiday parties	7,500	7,920
Holiday parties - other	17,895	5,883
Sickle Cell programs	195	3,408
Teen Room	1,971	2,092
Columbia Presbyterian - palliative care	4,469	115,861
Morristown - palliative care		24,705
TVF Centers - psychologists and social programs	295,371	168,902
TVF Centers - week of support	79,500	
TVF Centers - educational liaisons	23,000	
Newark Beth Israel	3,200	
Morristown Memorial	700	
Green Light capital campaign	136,313	
Walk	34,280	
Sing Me to Sleep	2,068	
VGO Robots	16,531	61,700
	<u>\$ 1,410,905</u>	<u>\$ 1,160,756</u>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS

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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:

	2016			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
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 gains	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>

THE VALERIE FUND
NOTES TO FINANCIAL STATEMENTS
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10. Endowment funds (continued)

	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>

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

	2016	2015
General endowment	\$ 895,450	\$ 895,170
Lisa Heart Child Life Programs endowment	45,124	45,124
Steve Jones Memorial Camp Happy Times endowment	45,235	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	86,575
Hannah Xue scholarship endowment	94,100	81,600
	<u>\$ 1,652,334</u>	<u>\$ 1,639,554</u>

THE VALERIE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

11. Special events

The Fund sponsored several events during the years ended December 31, 2016 and 2015 to raise additional funds for its charitable activities. The events and the net income derived are as follows:

	2016		
	<u>Income</u>	<u>Expenses</u>	<u>Net</u>
Thanksgiving Ball	\$ 434,426	\$ 173,764	\$ 260,662
Holiday parties		41,300	(41,300)
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	845,781	178,346	667,435
Miscellaneous	139,067	13,681	125,386
Community events	517,120	217,598	299,522
Dance-A-Thons	8,711	1,216	7,495
	<u>\$ 2,756,438</u>	<u>\$ 844,569</u>	<u>\$ 1,911,869</u>
	2015		
	<u>Income</u>	<u>Expenses</u>	<u>Net</u>
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>

THE VALERIE FUND
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12. Non-cash contributions

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

	<u>2016</u>	<u>2015</u>
Holiday toy contributions	\$ 25,575	\$ 31,007
Event tickets	17,476	8,012
Supplies for Camp Happy Times	33,938	43,846
Walkathon	56,854	38,361
Billboard advertising	206,195	
Miscellaneous	<u>7,375</u>	<u>7,685</u>
	<u>\$ 347,413</u>	<u>\$ 128,911</u>

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

13. Subsequent events

Subsequent events have been evaluated through November 2, 2017, which is the date financial statements were available to be issued.