

**Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation**

**2005**

Department of the Treasury  
Internal Revenue Service

*Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.*

**For calendar year 2005, or tax year beginning** Dec 1 , 2005, **and ending** Nov 30 , 2006

**G** Check all that apply:  Initial return  Final return  Amended return  Address change  Name change

<b>Use the IRS label. Otherwise, print or type. See Specific Instructions.</b>	Name of organization <b>Valentine Foundation</b>		<b>A</b> Employer identification number 23-6806061
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 300 Quarry Lane		<b>B</b> Telephone number (see instructions) (610) 642-4887
	City or town State ZIP code Haverford PA 19041-1723		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<b>H</b> Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			<b>D 1</b> Foreign organizations, check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 3,045,952.			<b>D 2</b> Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)			<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
			<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)				
<b>REVENUE</b>				
<b>1</b> Contributions, gifts, grants, etc. received (att sch)	350,238.			
<b>2</b> <input type="checkbox"/> If the foundn is not req to att Sch B				
<b>3</b> Interest on savings and temporary cash investments	29,627.	29,627.		
<b>4</b> Dividends and interest from securities	37,801.	30,551.		
<b>5a</b> Gross rents				
<b>b</b> Net rental income or (loss)				
<b>6a</b> Net gain/(loss) from sale of assets not on line 10	128,210.			
<b>b</b> Gross sales price for all assets on line 6a	510,471.			
<b>7</b> Capital gain net income (from Part IV, line 2)		128,210.		
<b>8</b> Net short-term capital gain				
<b>9</b> Income modifications				
<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less: Cost of goods sold				
<b>c</b> Gross profit/(loss) (att sch)				
<b>11</b> Other income (attach schedule)				
<b>12 Total.</b> Add lines 1 through 11	545,876.	188,388.		
<b>ADMINISTRATIVE AND EXPENSES</b>				
<b>13</b> Compensation of officers, directors, trustees, etc.				
<b>14</b> Other employee salaries and wages	42,970.			
<b>15</b> Pension plans, employee benefits				
<b>16a</b> Legal fees (attach schedule)				
<b>b</b> Accounting fees (attach sch) L-16b Stmt	3,300.			
<b>c</b> Other prof fees (attach sch) L-16c Stmt	41,745.	18,918.		
<b>17</b> Interest				
<b>18</b> Taxes (attach schedule) See Line 18 Stmt	9,490.			
<b>19</b> Depreciation (attach schedule) and depletion	183.			
<b>20</b> Occupancy	1,500.			
<b>21</b> Travel, conferences, and meetings	3,612.			
<b>22</b> Printing and publications	2,564.			
<b>23</b> Other expenses (attach schedule) See Line 23 Stmt	21,020.			
<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	126,384.	18,918.		
<b>25</b> Contributions, gifts, grants paid	172,000.			172,000.
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	298,384.	18,918.		172,000.
<b>27 Subtract line 26 from line 12:</b>				
<b>a Excess of revenue over expenses and disbursements</b>	247,492.			
<b>b Net investment income</b> (if negative, enter -0-)		169,470.		
<b>c Adjusted net income</b> (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A s s e t s	1 Cash — non-interest-bearing .....			
	2 Savings and temporary cash investments .....	231,783.	678,022.	678,022.
	3 Accounts receivable .....			
	Less: allowance for doubtful accounts .....			
	4 Pledges receivable .....			
	Less: allowance for doubtful accounts .....			
	5 Grants receivable .....			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) .....			
	7 Other notes and loans receivable (attach sch) .....			
	Less: allowance for doubtful accounts .....			
	8 Inventories for sale or use .....			
	9 Prepaid expenses and deferred charges .....			
	10a Investments — U.S. and state government obligations (attach schedule) .....	L-10a Stmt 452,120.	306,709.	358,672.
	b Investments — corporate stock (attach schedule) .....	L-10b Stmt 845,545.	802,565.	1,957,849.
	c Investments — corporate bonds (attach schedule) .....	L-10c Stmt 60,175.	50,948.	50,409.
	11 Investments — land, buildings, and equipment: basis .....			
Less: accumulated depreciation (attach schedule) .....				
12 Investments — mortgage loans .....				
13 Investments — other (attach schedule) .....				
14 Land, buildings, and equipment: basis .....	14,134.			
Less: accumulated depreciation (attach schedule) .....	L-14 Stmt 13,180.	2,252.	954.	
15 Other assets (describe .....				
16 <b>Total assets</b> (to be completed by all filers — see instructions. Also, see page 1, item I) .....		1,591,875.	1,839,198.	3,045,952.
L i a b i l i t i e s	17 Accounts payable and accrued expenses .....	238.	1,184.	
	18 Grants payable .....			
	19 Deferred revenue .....			
	20 Loans from officers, directors, trustees, & other disqualified persons .....			
	21 Mortgages and other notes payable (attach schedule) .....			
	22 Other liabilities (describe .....			
	23 <b>Total liabilities</b> (add lines 17 through 22) .....	238.	1,184.	
N e t A s s e t B a l a n c e s	<b>Organizations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b> <input checked="" type="checkbox"/>			
	24 Unrestricted .....	1,591,637.	1,634,778.	
	25 Temporarily restricted .....		203,236.	
	26 Permanently restricted .....			
	<b>Organizations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds .....			
	28 Paid-in or capital surplus, or land, building, and equipment fund .....			
29 Retained earnings, accumulated income, endowment, or other funds .....				
30 <b>Total net assets or fund balances</b> (see instructions) .....	1,591,637.	1,838,014.		
31 <b>Total liabilities and net assets/fund balances</b> (see instructions) .....	1,591,875.	1,839,198.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) .....	1	1,591,637.
2 Enter amount from Part I, line 27a .....	2	247,492.
3 Other increases not included in line 2 (itemize) .....	3	
4 Add lines 1, 2, and 3 .....	4	1,839,129.
5 Decreases not included in line 2 (itemize) .....	5	1,115.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30 .....	6	1,838,014.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)

(b) How acquired  
P — Purchase  
D — Donation

(c) Date acquired  
(month, day, year)

(d) Date sold  
(month, day, year)

<b>1a</b> See attached schedule	P	various	various
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 510,471.		382,261.	128,210.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	128,210.
b			
c			
d			
e			

<b>2</b> Capital gain net income or (net capital loss).	— [ If gain, also enter in Part I, line 7; if (loss), enter -0- in Part I, line 7 ]	<b>2</b>	128,210.
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	— [ If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 ]	<b>3</b>	0.

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No

If 'Yes,' the organization does not qualify under section 4940(e). Do not complete this part.

**1** Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2004	210,000.	2,807,454.	0.074801
2003	215,712.	2,586,736.	0.083392
2002	193,104.	2,401,644.	0.080405
2001	210,636.	2,601,069.	0.080981
2000	281,423.	2,852,973.	0.098642

<b>2</b> Total of line 1, column (d)	<b>2</b>	0.418221
<b>3</b> Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	<b>3</b>	0.083644
<b>4</b> Enter the net value of noncharitable-use assets for 2005 from Part X, line 5	<b>4</b>	2,897,539.
<b>5</b> Multiply line 4 by line 3	<b>5</b>	242,362.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	1,695.
<b>7</b> Add lines 5 and 6	<b>7</b>	244,057.
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	172,000.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

Table with 11 rows for excise tax calculations. Includes fields for exempt foundations, domestic organizations, tax under section 511, and credits/payments. Total tax due is \$11,000, which is refunded.

Part VII-A Statements Regarding Activities

Table with 13 rows for activity statements. Includes questions about political campaigns, political expenditures, and organizational changes. Includes a section for states where the organization is registered (Pennsylvania).

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

Table with columns for questions (1a-6a, 1b, 1c, 2a-2c, 3a-3b, 4a-4b, 5a-5b, 6a-6b) and columns for 'Yes' and 'No' responses. Includes checkboxes for 'Yes' and 'No' and a shaded grid for recording answers.

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See attached list	per list			
See attached list	per list	0.	0.	0.
Trustees do not devote	per list			
Regular hours to the	per list	0.	0.	0.
organization	per list			
on a weekly basis	per list	0.	0.	0.

**2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'**

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None	None			
None	None	0.	0.	0.

Total number of other employees paid over \$50,000 ..... None

**3 Five highest-paid independent contractors for professional services — (see instructions). If none, enter 'NONE.'**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		
None	None	0.

Total number of others receiving over \$50,000 for professional services ..... None

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 none	0.
2	
3	
4	

**Part IX-B Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 None	0.
2	
All other program-related investments. See instructions.	
3	
<b>Total.</b> Add lines 1 through 3	None

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	<b>1 a</b>	2,591,378.
b Average of monthly cash balances	<b>1 b</b>	348,786.
c Fair market value of all other assets (see instructions)	<b>1 c</b>	1,500.
d <b>Total</b> (add lines 1a, b and c)	<b>1 d</b>	2,941,664.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1 e</b>	
2 Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
3 Subtract line 2 from line 1d	<b>3</b>	2,941,664.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	44,125.
5 <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	2,897,539.
6 <b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	144,877.

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1 Minimum investment return from Part X, line 6	<b>1</b>	144,877.
2a Tax on investment income for 2005 from Part VI, line 5	<b>2 a</b>	3,389.
b Income tax for 2005. (This does not include the tax from Part VI.)	<b>2 b</b>	0.
c Add lines 2a and 2b	<b>2 c</b>	3,389.
3 Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	141,488.
4 Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
5 Add lines 3 and 4	<b>5</b>	141,488.
6 Deduction from distributable amount (see instructions)	<b>6</b>	0.
7 <b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	141,488.

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	<b>1 a</b>	172,000.
b Program-related investments — total from Part IX-B	<b>1 b</b>	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	0.
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	<b>3 a</b>	0.
b Cash distribution test (attach the required schedule)	<b>3 b</b>	0.
4 <b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	172,000.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	<b>5</b>	0.
6 <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	172,000.

**Note:** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

