VALENTINE FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2007

To the Board of Directors
Valentine Foundation

We have reviewed the accompanying statement of financial position of Valentine Foundation (a nonprofit corporation) as of November 30, 2007, and the related statements of activities and cash flows tor the year then ended, in accordance with Statements on Standards tor Accounting and Review Services issued by the American lnstitute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Valentine Foundation.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

June 6, 2008

Valentine Foundation

STATEMENT OF CASH FLOWS

For Year Ended November 30, 2007

Operating Activities	
Increase in net assets	$ 184,968
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	381
Net Realized Gain on Investments (See Note 10)	(19,946)
Change in Net Unrealized Market Appreciation (See Note 10)	(25,369)
Contributions of investments	(19,598)
Decrease in operating assets	
Contributions Receivable	2,393
Accrued Interest and Dividends	6,770
Federal Income Tax Receivable	500
Increase in operating liabilities	
Accrued Expenses	4,504
Taxes Payable	566
Net cash provided by operating activities	135,169
Investing activities	
Purchases of Investments	(18,306)
Proceeds from Sale of Investments	425,682
Change in cash restricted to visionary leadership fund	(221,716)
Net cash provided by investing activities	185,660
Net increase in cash and cash equivalents	320,829
Cash and cash equivalents as of beginning of year	395,688
Cash and cash equivalents as of end of year	$ 716,517

See independent accountants' review report and notes to financial statements.

Valentine Foundation

STATEMENT OF ACTIVITIES

For Year Ended November 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Support, and Gains:				
Contributions from Phoebe Valentine Trust	$ 155,491	$ -	$ -	$ 155,491
Contributions from Public			193,029	193,029
Interest and Dividends	83,917			83,917
Net Realized Gain on Investments	19,946			19,946
Change in Net Unrealized Market Appreciation	25,369			25,369
Net assets released from restrictions	3,051	(3,051)		
Less Expenses of Earning Income	(15,150)	-	-	(15,150)
Total Revenues, Support and Gains	272,624	(3,051)	193,029	462,602
Expenses:				
Grants	$ 185,910			$ 185,910
Administrative and Operating Expense	71,999			71,999
Fund Raising Expense	16,064			16,064
Federal Excise Tax Expense	3,280			3,280
Depreciation Expense	381	-	-	381
Total expenses	277,634	-	-	277,634
Change in net assets	(5,010)	(3,051)	193,029	184,968
Net assets as of beginning of year	2,844,602	3,051	299,801	3,147,454
Net assets as of end of year	$ 2,839,592	$ -	$ 492,830	$ 3,332,422

Valentine Foundation

STATEMENT OF FINANCIAL POSITION

November 30, 2007

ASSETS	
Cash and cash equivalents	$ 716,517
Investments	2,164,702
Accrued Interest and Dividends	4,987
Federal Excise Tax Refund Receivable	1,210
Equipment, net	573
Cash and cash equivalents, Visionary Leadership Fund	254,051
Investments, Visionary Leadership Fund	119,126
Accrued Interest and Dividends, Visionary Leadership Fund	498
Contributions receivable, Visionary Leadership Fund	89,173
TOTAL ASSETS	$ 3,350,837
LIABILITIES AND NET ASSETS	
Liabilities	
Accrued expenses	18,415
Total Liabilities	18,415
Net Assets	
Unrestricted	2,839,592
Temporarily restricted	-
Permanently restricted	492,830
Total Net Assets	3,332,422
TOTAL LIABILITIES AND NET ASSETS	$ 3,350,837

`VALENTINE FOUNDATION

NOTES TO FINANCIAL STATEMENT

YEAR ENDED NOVEMBER 30, 2007

1. Summary of Significant Accounting Policies

Nature of Activities - The Valentine Foundation is a Philadelphia area private foundation that provides grants to foundations or programs which empower women and girls. The Foundation also works to change established attitudes that discourage women and girls from recognizing their potential. Grants are made to foundations primarily in the greater Philadelphia area or that have a national focus. The Foundation was established in 1985 by Phoebe V. Valentine. Phoebe named five women as the initial trustees and intentionally left the development of the mission and the approach of the Foundation to them. Phoebe died in 1995. She established a trust to endow the foundation and a separate Charitable Lead Trust. In 2005, the foundation decided to establish a permanent endowment fund to provide grants for leadership training for women executives working in nonprofit organizations.

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Foundations.* Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted assets are gifts received with donor stipulations that limit the use of the donated assets with a restriction as to time or purpose of use. When the time restriction expires or the purpose is accomplished, the 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 assets are gifts received with donor stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Board of Directors.

Cash and Cash Equivalents – Cash and cash equivalents include all monies in banks, cash on hand, and highly liquid investments with original maturities of less than three months. The carrying value of cash and cash equivalents approximates the fair value because of the short maturities of those financial instruments.

Promises to Give– Contributions are recognized when the donor makes a promise to give the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in

the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in permanently restricted net assets.
Net Asset Classifications – Temporarily restricted net assets include all investment income of the permanently restricted assets. Temporarily restricted net assets are reclassified to unrestricted net assets when a restriction expires.

Investments – The Foundation reports marketable securities and debt securities at fair value in the statement of financial position. Fair value is determined based on quoted market prices. Realized and unrealized gains or losses on investments represent the difference between the original cost, or fair value of the investments at the beginning of the current year, and the sales proceeds (realized) or the fair market value at the end of the year (unrealized). For tax purposes, the gain on the sale of investments is the difference between the original cost and the sale price. However, the basis for tax purposes of the investments then held in the trust was increased at the death of the founder. This difference in the basis of contributions for financial statements and tax purposes results in smaller net realized gains on investments for tax purposes, which decreases taxable investment correspondingly.

Property and Equipment – Equipment is stated at cost at date of acquisition. The Foundation's policy is to capitalize additions to equipment with a unit cost of $500 or more and a useful life of two or more years. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

Equipment	5-10 years

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, income, and expenses. Actual results could differ from those estimates. The Foundation and Trust utilize various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Concentration of Risk – Financial instruments which potentially subject the Foundation to credit risk consist primarily of cash, cash equivalents and investments. The Foundation maintains cash and cash equivalents primarily with major financial institutions. Such amounts may not be insured by FDIC or SIPC. The Foundation monitors its investments and has not experienced any credit losses.

Grants – Grants to qualified not-for- profit organizations are reported as an expense when awarded. Multi-year grants may be awarded for as long as three years. No multi-year grants were made in 2007.

2. Contributions Receivable

Contributions receivable consist of:

Receivable in less than one year	$ 12,256
Receivable in one to five years	76,917
Total Contributions Receivable	**$ 89,173**

The foundation expects to receive all of the receivables and has, therefore, not made a provision for allowance for uncollectible contributions.

Receivables due in one year or more have not been discounted because the size of the discount was considered to be immaterial.

3. Fixed Assets

As of November 30, 2007 fixed assets consist of:

Equipment	$14,134
Accumulated depreciation	(13,561)
	$ 573

4. Investments

The market value of investments as of November 30, 2007 is summarized as follows:

Short-term	$ 95,000
Fixed income	262,214
Common stock and other equities	1,926,614
	$2,283,828

5. Temporarily Restricted

There are no temporarily restricted net assets available as of November 30, 2007.
Net assets in the amount of $3051 were released from temporarily restricted net assets during the year ended November 30, 2007 for the purpose of paying the expenses incurred in raising the money for the Visionary Leadership Fund

6. Permanently Restricted

Permanently restricted net assets are to support the following:

Leadership Training Endowment Fund	$492,830

The beginning balance of the permanently restricted net assets has been changed because a portion of the permanently restricted contributions were reported as unrestricted contributions.

7. Split-Interest Charitable Lead Trust

Until the death of the other beneficiaries of the Trust, a distribution equal to 7% of the net fair market value of the trust's assets will be paid by the Trustees to the Valentine Foundation.

8. Interfund Receivables

The Visionary Leadership fund currently owes the unrestricted funds $56,154 for the cost of expenses incurred in launching and raising the permanent endowment. .

9. Operating Lease

The Foundation has no operating lease agreements. They currently rent space on a month to month basis.

Rental Expense under the operating lease for the year ended November 30, 2007 was $1,625.

10, Federal Excise Tax

The Foundation is exempt from federal income taxes under Section 501©(3) of the Internal Revenue Code (IRC), but is subject to a 2 percent (1 percent if certain criteria are met) federal excise tax on net investment income, including net realized gains, as defined by federal regulations. The Foundation provides for deferred federal excise tax on unrealized gains on investments at a rate of 1%, which is an estimate of the effective rate expected to be paid.

Current and deferred excise taxes for the years ended November 30, 2007 were provided as follows:

Current year tax	$ 4,239
Deferred tax used	(959)
Total tax	$ 3,280