

May 24, 2008

Valentine Foundation
300 Quarry Lane
Haverford, PA 19041-1723

Dear Alexandra,,

Enclosed is the 2006 U.S. Form 990-PF, Return of Private Foundation, for Valentine Foundation. The return should be signed and dated by an authorized officer or fiduciary and mailed on or before April 15, 2008 to:

Internal Revenue Service Center
Ogden, UT 84201-0027

No payment is required. The overpayment of \$162 will be credited to next year's estimated tax.

The due dates and required payments for the U.S. Exempt Organization's estimated income tax are as follows:

Installment #1 by	04/15/08	898
Installment #2 by	05/15/08	1,060
Installment #3 by	08/15/08	1,060
Installment #4 by	11/17/08	1,060

Estimated tax payments should be made by check or money order and must be deposited with an authorized commercial bank depository along with a federal tax deposit coupon (Form 8109 or Form 8109-B). Be sure to darken the bubbles for Form 990-PF and the applicable quarter. Write the organization's employer identification number, the tax period for which the deposit applies, and "Form 990-PF" on the check.

We very much appreciate the opportunity to serve you. If you have any questions regarding this return, please do not hesitate to call.

Sincerely,

Cecile R Blumenthal

Cappiali & Blumenthal, P.C.
920 W Sproul Road, Suite 204
Springfield, PA 19064

Valentine Foundation
300 Quarry Lane
Haverford, PA 19041-1723

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

2006

Department of the Treasury
Internal Revenue Service

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

For calendar year 2006, or tax year beginning Dec 1 , **2006, and ending** Nov 30 , 2007

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation Valentine Foundation		A 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 Telephone number (see instructions) (610) 642-4887
	City or town State ZIP code Haverford PA 19041-1723		C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H 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			
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 3,254,970.		J 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.)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
R E V E N U E	1 Contributions, gifts, grants, etc., received (att sch)	350,913.			
	2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	39,142.	39,815.		
	4 Dividends and interest from securities	51,495.	44,607.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	141,203.			
	b Gross sales price for all assets on line 6a 425,657.				
	7 Capital gain net income (from Part IV, line 2)		141,203.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
Income tax refund	500.				
12 Total. Add lines 1 through 11	583,253.	225,625.			
A D M I N I S T R A T I V E O P E R A T I N G A N D E X P E N S E S	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages	37,843.			
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) L-16b Stmt	5,150.			
	c Other prof fees (attach sch) L-16c Stmt	31,718.	15,150.		
	17 Interest				
	18 Taxes (attach schedule) See Line 18 Stmt	7,467.			
	19 Depreciation (attach schedule) and depletion	110.			
	20 Occupancy	1,500.			
	21 Travel, conferences, and meetings	5,245.			
	22 Printing and publications	359.			
	23 Other expenses (attach schedule) See Line 23 Stmt	12,707.			
	24 Total operating and administrative expenses. Add lines 13 through 23	102,099.	15,150.		
	25 Contributions, gifts, grants paid	185,910.			185,910.
26 Total expenses and disbursements. Add lines 24 and 25	288,009.	15,150.		185,910.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	295,244.				
b Net investment income (if negative, enter -0-)		210,475.			
c Adjusted net income (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		
ASSETS	1	Cash — non-interest-bearing				
	2	Savings and temporary cash investments	678,022.	1,065,569.	1,065,569.	
	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	306,709.	195,024.	211,923.
	b	Investments — corporate stock (attach schedule)	L-10b Stmt	802,565.	822,858.	1,926,214.
	c	Investments — corporate bonds (attach schedule)	L-10c Stmt	50,948.	50,713.	50,691.
	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	L-14 Stmt	14,134.			
	Less: accumulated depreciation (attach schedule)	L-14 Stmt	13,561.	954.	573.	
15	Other assets (describe					
16	Total assets (to be completed by all filers — see instructions. Also, see page 1, item 1)		1,839,198.	2,134,737.	3,254,970.	
LIABILITIES	17	Accounts payable and accrued expenses	1,184.	1,750.		
	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	Total liabilities (add lines 17 through 22)		1,184.	1,750.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>					
	24	Unrestricted	1,634,778.	1,767,011.		
	25	Temporarily restricted				
	26	Permanently restricted	203,236.	365,976.		
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <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	Total net assets or fund balances (see instructions)		1,838,014.	2,132,987.		
31	Total liabilities and net assets/fund balances (see instructions)		1,839,198.	2,134,737.		

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	1,838,014.
2	Enter amount from Part I, line 27a	2	295,244.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,133,258.
5	Decreases not included in line 2 (itemize)	5	271.
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	2,132,987.

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)
1a See attached	P	various	various
b GNMA Return of capital	P	06/19/93	various
c			
d			
e			

(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 525,448.		384,245.	141,203.
b 234.		234.	0.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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.	141,203.
b			0.
c			
d			
e			

2 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]	2	141,203.
3 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]	3	

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

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

(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))
2005	172,000.	2,897,539.	0.059361
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
2 Total of line 1, column (d)			0.378940
3 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			0.075788
4 Enter the net value of noncharitable-use assets for 2006 from Part X, line 5			3,166,147.
5 Multiply line 4 by line 3			239,956.
6 Enter 1% of net investment income (1% of Part I, line 27b)			2,105.
7 Add lines 5 and 6			242,061.
8 Enter qualifying distributions from Part XII, line 4			185,910.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary – see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	4,210.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	4,210.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	4,210.
6 Credits/Payments:			
a 2006 estimated tax prmts and 2005 overpayment credited to 2006	6a	3,400.	
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	1,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	4,400.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	28.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	162.	
11 Enter the amount of line 10 to be: Credited to 2007 estimated tax 162. Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?		X
<i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ▶ \$ (2) On foundation managers ▶ \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>Pennsylvania</u>		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2006 or the taxable year beginning in 2006 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

Part VII-A Statements Regarding Activities Continued

11a At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule. (see instructions)
11b If 'Yes', did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, an annuities described in the attachment for line 11a?
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
Website address N/A
14 The books are in care of Alexandra Frazier Telephone no. (610) 642-4887
Located at 300 Quarry Lane, Haverford, PA ZIP + 4 19041-1723
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the year 15

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.

1a During the year did the foundation (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?
Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2006?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2006, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2006?
If 'Yes,' list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions.)
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If 'Yes,' did it have excess business holdings in 2006 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2006.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2006?

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

- 5a** During the year did the foundation pay or incur any amount to:
- (1)** Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
 - (2)** Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
 - (3)** Provide a grant to an individual for travel, study, or other similar purposes? Yes No
 - (4)** Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No
 - (5)** Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No
- b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here
- c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If you answered 'Yes' to 6b, also file Form 8870.
- 7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No
- b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b		
6b		X
7b		

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 regular hours to the organization on a weekly basis	per list	0.	0.	0.
	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

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

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	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	

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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	1a	2,273,096.
b Average of monthly cash balances	1b	940,516.
c Fair market value of all other assets (see instructions)	1c	750.
d Total (add lines 1a, b, and c)	1d	3,214,362.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	3,214,362.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	48,215.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,166,147.
6 Minimum investment return. Enter 5% of line 5	6	158,307.

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	1	158,307.
2a Tax on investment income for 2006 from Part VI, line 5	2a	4,210.
b Income tax for 2006. (This does not include the tax from Part VI.)	2b	0.
c Add lines 2a and 2b	2c	4,210.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	154,097.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	154,097.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	154,097.

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	1a	185,910.
b Program-related investments — total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	0.
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	0.
b Cash distribution test (attach the required schedule)	3b	0.
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	185,910.
5 Foundations 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)	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	185,910.

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.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2005	(c) 2005	(d) 2006
1 Distributable amount for 2006 from Part XI, line 7				154,097.
2 Undistributed income, if any, as of the end of 2005:				
a Enter amount for 2005 only			0.	
b Total for prior years: 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2006:				
a From 2001	85,311.			
b From 2002	76,953.			
c From 2003	89,812.			
d From 2004	72,998.			
e From 2005	74,695.			
f Total of lines 3a through e	399,769.			
4 Qualifying distributions for 2006 from Part XII, line 4: ▶ \$ 185,910.				
a Applied to 2005, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2006 distributable amount				68,786.
e Remaining amount distributed out of corpus	117,124.			
5 Excess distributions carryover applied to 2006 (If an amount appears in column (d), the same amount must be shown in column (a).)	85,311.			85,311.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	431,582.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2005. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2006. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2007				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2001 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2007. Subtract lines 7 and 8 from line 6a	431,582.			
10 Analysis of line 9:				
a Excess from 2002	76,953.			
b Excess from 2003	89,812.			
c Excess from 2004	72,998.			
d Excess from 2005	74,695.			
e Excess from 2006	117,124.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2006, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test — enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test — enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year — see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p><i>a Paid during the year</i> See attached list</p>	N/A	Public	All contributions are made to publicly supported charitable organizations to be used in their respective work	185,910.
Total				3a 185,910.
<p><i>b Approved for future payment</i> N/A</p>	N/A	N/A	N/A N/A	0.
Total				3b 0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a None	N/A		N/A		
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments	N/A		14	39,142.	
4 Dividends and interest from securities	N/A		14	51,495.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory	900001		18	141,203.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				231,840.	
13 Total. Add line 12, columns (b), (d), and (e)					13 <u>231,840.</u>

(See worksheet in the instructions for line 13 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
0	NONE

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

	Yes	No
1 a (1) Cash		X
1 a (2) Other assets		X
1 b (1) Sales of assets to a noncharitable exempt organization		X
1 b (2) Purchases of assets from a noncharitable exempt organization		X
1 b (3) Rental of facilities, equipment, or other assets		X
1 b (4) Reimbursement arrangements		X
1 b (5) Loans or loan guarantees		X
1 b (6) Performance of services or membership or fundraising solicitations		X
1 c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X

a Transfers from the reporting foundation to a noncharitable exempt organization of:

(1) Cash

(2) Other assets

b Other transactions:

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is 'Yes,' complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If 'Yes,' complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

SIGNATURE

Signature of officer or trustee		Date	Title	
PAID PREPARER'S USE ONLY	Preparer's signature	05/24/08	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Signature in the instrs)
	Firm's name (or yours if self-employed), address, and ZIP code	EIN		Phone no. (610) 328-6302
	Cappiali & Blumenthal, P.C. 920 W Sproul Road, Suite 204 Springfield PA 19064			

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors
Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No. 1545-0047

2006

Name of organization Valentine Foundation	Employer identification number 23-6806061
---	---

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(____) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule – see instructions.)

General Rule –

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules –

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc. purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc. purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc. contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Underpayment of Estimated Tax by Corporations

2006

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name Valentine Foundation	Employer identification number 23-6806061
-------------------------------------	---

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 34 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)		1	4,210.
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c Credit for Federal tax paid on fuels (see instructions)	2c		
d Total. Add lines 2a through 2c		2d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty		3	4,210.
4 Enter the tax shown on the corporation's 2005 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5		4	3,389.
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	3,389.

Part II Reasons for Filing – Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220, even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990 – PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year.	9	04/15/07	05/15/07	08/15/07	11/15/07
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column. Special rules apply to corporations with assets of \$1 billion or more (see instructions)	10	847.	847.	847.	848.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	11.		2,539.	850.
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12				9.
13 Add lines 11 and 12	13			2,539.	859.
14 Add amounts on lines 16 and 17 of the preceding column	14		836.	1,683.	0.
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	11.	0.	856.	859.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		836.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	836.	847.		
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18			9.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 – no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). <i>(Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)</i>	19	See Stmt		
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2006 and before 7/1/2006	21			
22 Underpayment on line 17 $\times \frac{\text{Number of days on line 21}}{365} \times 7\%$	22			
23 Number of days on line 20 after 6/30/2006 and before 4/1/2007	23			
24 Underpayment on line 17 $\times \frac{\text{Number of days on line 23}}{365} \times 8\%$	24			
25 Number of days on line 20 after 3/31/2007 and before 7/1/2007	25			
26 Underpayment on line 17 $\times \frac{\text{Number of days on line 25}}{365} \times 8\%$	26			
27 Number of days on line 20 after 6/30/2007 and before 10/1/2007	27			
28 Underpayment on line 17 $\times \frac{\text{Number of days on line 27}}{365} \times 8\%$	28			
29 Number of days on line 20 after 9/30/2007 and before 1/1/2008	29			
30 Underpayment on line 17 $\times \frac{\text{Number of days on line 29}}{365} \times \text{ } \%$	30			
31 Number of days on line 20 after 12/31/2007 and before 2/16/2008	31			
32 Underpayment on line 17 $\times \frac{\text{Number of days on line 31}}{366} \times \text{ } \%$	32			
33 Add lines 22, 24, 26, 28, 30, and 32	33			
34 Penalty. Add columns (a) through (d) of line 33. Enter the total here and on Form 1120, line 33; Form 1120-A, line 29; or the comparable line for other income tax returns	34			28.

***For underpayments paid after March 31, 2007:** For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

**Depreciation and Amortization
(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

Valentine Foundation

Identifying number

23-6806061

Business or activity to which this form relates

Form 990-PF page 1

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$108,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$430,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	0.

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	110.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B — Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C — Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	110.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C** if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No									24b If 'Yes,' is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25			
26 Property used more than 50% in a qualified business use:											
27 Property used 50% or less in a qualified business use:											
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1									29		

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2006 tax year (see instructions):					
43 Amortization of costs that began before your 2006 tax year					43
44 Total. Add amounts in column (f). See instructions for where to report					44

Underpayment Penalty Statement

2006

▶ Attach to return

Name
Valentine Foundation

Employer Identification No.
23-6806061

'Event'	Date	Amount Due	Amount Paid	Balance Due (Overpayment)	Percent	# of Days	Penalty
Amount Due	04/15/07	847.		847.	8.00	0	
Applied	04/15/07		11.	836.	8.00	30	5.50
Amount Due	05/15/07	847.		1,683.	8.00	61	22.50
Payment	07/15/07		1,689.	-6.	8.00		
Payment	08/02/07		850.	-856.	8.00		
Amount Due	08/15/07	847.		-9.	8.00		
Amount Due	11/15/07	848.		839.	8.00	0	
Payment	11/15/07		850.	-11.	8.00		
Date Filed	04/15/08			-11.	8.00		
Total Penalty							28.00

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes: (see instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Income tax	4,239.			
Payroll taxes	3,228.			
Total	<u>7,467.</u>			

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Membership dues	3,620.			
Office supplies	2,112.			
Software maintenance and support	1,498.			
Telephone	650.			
Workers compensation insurance	261.			
Other expenses	941.			
Directors' and officers' insura	1,125.			
Record Storage	414.			
Website costs	331.			
Internet Service	120.			
Postage and Delivery	1,485.			
State Filing Fee	150.			
Total	<u>12,707.</u>			

Form 990-PF, Page 1, Part I, Line 16b

L-16b Stmt

Line 16b - Accounting Fees: Name of Provider	Type of Service Provided	Amount Paid
Cappiali & blumenthal, P.C.	Bookkeeping, accounting and tax	5,150.
Total		<u>5,150.</u>

Form 990-PF, Page 1, Part I, Line 16c

L-16c Stmt

Line 16c - Other Professional Fees: Name of Provider	Type of Service Provided	Amount Paid
The Breton Company	Financial consulting	15,000.
Byte Me Computer Services	computer consulting	133.
Marilyn Lucas	Development consulting	1,380.
Jude Bucci	Design and Image consulting	11,805.
Jennifer Snavelly	Campaign Coordinator	3,250.
Merrill Lynch	Investment fee	150.
Total		<u>31,718.</u>

Form 990-PF, Page 2, Part II, Line 10a

L-10a Stmt

Line 10a - Investments - US and State Government Obligations:	End of Year	
	Book Value	Fair Market Value
See schedule attached	195,024.	211,923.
Total	<u>195,024.</u>	<u>211,923.</u>

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
See schedule attached	822,858.	1,926,214.
Total	<u>822,858.</u>	<u>1,926,214.</u>

Form 990-PF, Page 2, Part II, Line 10c

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
See schedule attached	50,713.	50,691.
Total	<u>50,713.</u>	<u>50,691.</u>

Form 990-PF, Page 2, Part II, Line 14

L-14 Stmt

Line 14b - Description of Land, Buildings, and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Equipment	2,686.	2,686.	0.
Equipment	2,744.	2,744.	0.
Computer software	6,796.	6,796.	0.
Computer	1,908.	1,335.	573.
Total	<u>14,134.</u>	<u>13,561.</u>	<u>573.</u>

Supporting Statement of:

Form 990-PF, p1/Line 1(a)

Description	Amount
Trust Income	155,491.
Restricted Contributions	195,422.
Total	<u>350,913.</u>

Supporting Statement of:

Form 990-PF p12/Line 3 Column (d)

Description	Amount
CD Interest	2,466.
Investment Interest	36,676.
Total	<u>39,142.</u>

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May 24, 2008

Valentine Foundation
300 Quarry Lane
Haverford, PA 19041-1723

Statement of Charges for Services Rendered:

Tax Preparation Fees:

Tax return preparation fee	\$	3,000.00
Total fee	\$	3,000.00

Summary of Federal Form Charges:

Description	Count
Information Worksheet	1
Form 990-PF, Private Foundations	1
Line 16a-c Statement	1
Line 10a-c Statement	1
Line 11 & 14 Statement	1
Schedule B, Contributors	1
Form 990-W Estimated Tax (990-PF)	1
Form 2220, Underpmt Est Tax (990-PF)	1
Penalty Statement (990-PF)	1
Form 4562, Depreciation (990-PF)	1
Asset Entry Worksheet (990-PF)	2
Depr and Amort Report (990-PF)	1
AMT Depr Report (990-PF)	1
Depreciation Information	1