



***GIRLS VACATION FUND, INC.  
D/B/A GIRLS QUEST***

***FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT***

***FOR THE YEAR ENDED DECEMBER 31, 2009***

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**GIRLS VACATION FUND, INC.**  
**D/B/A GIRLS QUEST**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Girls Vacation Fund, Inc.  
D/B/A Girls Quest  
New York, New York 10001

We have audited the accompanying statement of financial position of Girls Vacation Fund, Inc. (d/b/a Girls Quest) (a not-for-profit corporation) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Girls Quest's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Quest as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

*Cerini & Associates LLP*

June 2, 2010  
Bohemia, New York

**GIRLS VACATION FUND, INC.**  
**D/B/A GIRLS QUEST**

**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2009**

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**ASSETS**

**Current Assets:**

Cash and cash equivalents (Notes 4 and 6).....	\$	32,052
Accounts and grants receivable .....		89,203
Prepaid expenses and other current assets.....		6,574

**TOTAL CURRENT ASSETS** 127,829

Restricted cash and cash equivalents (Notes 4 and 6).....		114,298
Investments at fair value (Notes 2 and 4).....		1,471,836
Property and equipment-net (Notes 3 and 6).....		1,105,388
Security deposits.....		16,451

**TOTAL ASSETS** \$ 2,835,802

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable and accrued expenses .....	\$	37,093
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**TOTAL LIABILITIES** 37,093

Commitments and contingencies (Notes 2, 4, 5, 6, and 7)

**Net Assets (Notes 3, 6, and 7):**

Unrestricted:

Undesignated.....		664,267
Board designated (Note 2).....		1,471,836
Temporarily restricted .....		652,891
Permanently restricted .....		9,715

**TOTAL NET ASSETS** 2,798,709

**TOTAL LIABILITIES AND NET ASSETS** \$ 2,835,802

**GIRLS VACATION FUND, INC.  
D/B/A GIRLS QUEST**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE:</b>				
Grants .....	\$ 306,600	-	\$ -	\$ 306,600
Contributions .....	103,400	327,104	-	430,504
Camp fees .....	63,504	-	-	63,504
Special events - net of direct expenses of \$37,682 .....	77,236	-	-	77,236
Interest and other income .....	30,246	1,071	-	31,317
Net assets released from restrictions (Note 6) .....	17,442	(17,442)	-	-
<b>Total Support and Revenue</b>	<b>598,428</b>	<b>310,733</b>	<b>-</b>	<b>909,161</b>
<b>EXPENSES:</b>				
Program services:				
Summer experiential education and development .....	619,099	-	-	619,099
Teen leadership .....	52,372	-	-	52,372
Mentor .....	182,406	-	-	182,406
Advancing year round engagement .....	13,189	-	-	13,189
<b>Total Program Services</b>	<b>867,066</b>	<b>-</b>	<b>-</b>	<b>867,066</b>
Supporting services:				
Management and general .....	78,958	-	-	78,958
Fundraising .....	146,990	-	-	146,990
<b>Total Supporting Services</b>	<b>225,948</b>	<b>-</b>	<b>-</b>	<b>225,948</b>
<b>Total Expenses</b>	<b>1,093,014</b>	<b>-</b>	<b>-</b>	<b>1,093,014</b>
Net (loss)/income from operations .....	(494,586)	310,733	-	(183,853)
Investment income (Note 2) .....	211,250	-	-	211,250
Change in net assets .....	(283,336)	310,733	-	27,397
Net assets, beginning of year, as restated (Note 6) .....	2,419,439	342,158	9,715	2,771,312
Net assets, end of year .....	\$ 2,136,103	\$ 652,891	\$ 9,715	\$ 2,798,709

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

**GIRLS VACATION FUND, INC.  
D/B/A GIRLS QUEST**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Services					Supporting Services			Total
	Summer Experiential Education and Development Program	Teen Leadership Program	Mentor Program	Advancing Year Round Engagement Program	Total Program	Management and General	Fundraising		
Salaries	\$ 321,735	\$ 28,080	\$ 97,707	\$ 5,758	\$ 453,280	\$ 34,440	\$ 76,470	\$ 564,190	
Payroll taxes and employee benefits	56,077	4,894	17,030	1,004	79,005	6,003	13,328	98,336	
Professional fees	52,420	4,575	15,919	938	73,852	5,611	12,459	91,922	
Telephone	9,445	687	2,404	343	12,879	2,061	2,232	17,172	
Postage and delivery	3,821	278	973	139	5,211	834	903	6,948	
Conferences, dues, and subscriptions	525	38	134	19	716	115	124	955	
Repairs, maintenance, and equipment	8,016	583	2,041	292	10,932	1,749	1,895	14,576	
Food	18,888	1,374	4,808	687	25,757	4,121	4,464	34,342	
Occupancy (Note 5)	45,940	4,010	13,952	822	64,724	4,918	10,919	80,561	
Utilities	14,767	1,074	3,759	537	20,137	3,222	3,490	26,849	
Staff development	8,599	625	2,189	313	11,726	1,876	2,032	15,634	
Printing and production	3,769	274	959	137	5,139	822	891	6,852	
Auto expenses	2,033	148	518	74	2,773	444	481	3,698	
Transportation	12,090	879	3,077	440	16,486	2,638	2,858	21,982	
Supplies	15,308	1,113	3,897	557	20,875	3,340	3,618	27,833	
Insurance	16,876	1,227	4,296	614	23,013	3,682	3,989	30,684	
Miscellaneous	3,653	319	1,109	65	5,146	391	862	6,399	
Depreciation	25,137	2,194	7,634	450	35,415	2,691	5,975	44,081	
	\$ 619,099	\$ 52,372	\$ 182,406	\$ 13,189	\$ 867,066	\$ 78,958	\$ 146,990	\$ 1,093,014	

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

**GIRLS VACATION FUND, INC.**  
**D/B/A GIRLS QUEST**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets.....	\$	27,397
 <u>Adjustments to reconcile change in net assets to net cash used in operating activities:</u>		
Depreciation expense.....		44,081
Unrealized gains on investments.....		(110,744)
Realized gains on investments.....		(56,141)
 <u>Changes in operating assets and liabilities:</u>		
Restricted cash and cash equivalents.....		92,136
Accounts and grants receivable.....		(42,908)
Prepaid expenses and other current assets.....		(2,311)
Security deposits.....		5,382
Accounts payable and accrued expenses.....		(1,333)
Deferred revenue.....		(50,000)
		(94,441)
<b>Net cash used in operating activities</b>		<b>(94,441)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchases of investments.....		(351,360)
Sales of investments.....		801,843
Purchases of property and equipment.....		(19,623)
Construction in progress.....		(344,545)
		86,315
<b>Net cash provided by investing activities</b>		<b>86,315</b>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Payments of loans payable.....		(1,956)
		(1,956)
<b>Cash used in financing activities</b>		<b>(1,956)</b>
		(10,082)
<b>Net change in cash and cash equivalents</b>		<b>(10,082)</b>
Cash and cash equivalents, beginning of year.....		42,134
Cash and cash equivalents, end of year.....	\$	32,052

**GIRLS VACATION FUND, INC.**  
**D/B/A GIRLS QUEST**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Girls Vacation Fund, Inc. d/b/a Girls Quest (hereinafter "Girls Quest") is presented to assist in understanding Girls Quest's financial statements. The financial statements and notes are representations of Girls Quest's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Organization:** Since 1936, Girls Quest has served over 60,000 economically disadvantaged girls. Its mission is to nurture girls from low-income families in New York to help them achieve their full potential and become active members of their communities by building academic and social competence. In this way, Girls Quest empowers girls to become strong, productive, and caring contributors to their communities. Girls Quest's work focuses on outdoor experiential education, literacy development, year-round mentoring, leadership training, and peer-to-peer role modeling.

During 2009, Girls Quest served 352 girls who range in age from 8 to 16. Most of these girls come from the five boroughs of New York City, with approximately 30% from the Bronx, 28% from Brooklyn, 17% from Manhattan, 14% from Queens, and 2% from Staten Island. The remaining girls of approximately 8%, were from Long Island, Westchester, Rockland, and the Catskills region. As a group they are racially diverse: 65% are African American, 20% are Latina, 5% are Caucasian, 2% are Asian American; and 8% are multi-racial. Of the girls served, 80% percent come from low-income families and many face other challenges that make them "at risk" of engaging in dangerous behaviors and underachieving in school. Nearly 80% of the girls served live in single-parent households. At worst, these girls face realities that are harmful: inadequate and overcrowded housing, street crime and violence, underperforming schools, as well as friends and family members who abuse alcohol or drugs. Girls Quest works year-round to counteract these negative influences, offering these girls a chance for not only a better today, but also a better tomorrow.

To achieve its mission, Girls Quest operates four interconnected programs: the Summer Experiential Education and Development ("SEED") Program, the Mentor Program, the Advancing Year-Round Engagement Program, and the Teen Leadership Program:

**Summer Experiential Education and Development Program (SEED)**

The SEED program is a two-week residential academic/social enrichment program for girls ages 8 to 13 who live in the greater New York metropolitan area or Catskills region. The SEED program is the entry point for all Girls Quest programs and services; over 300 girls attend each year. SEED lessens the summer learning gap by providing activities that stimulate girls' learning and emotional development in an environment that is safe and nurturing, while challenging girls within the program to achieve their full potential. The summer site is located on 464 pristine acres in the Catskill Mountains.



**GIRLS VACATION FUND, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Mentor Program**

A year-long community-based program that matches girls ages 12-17, in a one-to-one mentoring relationship with a professional woman. Twice a month, matches participate in fun and enriching activities throughout the NYC metro area. Mentees have the opportunity to receive additional guidance and support from their mentors during their transition to young adulthood. The mentor program is flexible and unique in that the matches select activities that are geared towards the goals they establish together, such as cultural exposure to building a healthy and trusting relationship. Supervision and assistance is provided for all of the matches throughout their match relationship. In addition, matches have the opportunity to participate in match outings events throughout their match year.

**Advancing Year-Round Engagement Program (AYRE)**

In 2009, AYRE held several outings and workshops, attracting up to 50-75 girls and teens. Activities are fun, educational, and engaging: examples include Girls Quest's annual Harvest Days, American Museum of Natural History and Studio Museum in Harlem, a career day series, and an annual holiday reunion event at Chelsea Piers Sky Rink. Activities are designed with Girls Quest's four core experiential education principles in mind: literacy/communication skills, creative expression, ecological awareness, and self-esteem/teamwork.

**Teen Leadership Program**

A year-round, three-year training, development, and enrichment program in which 10-15 high school girls join each year after at least two years at SEED, where they serve all summer as peer leaders for three years. Teens are given opportunities to develop leadership and team-work skills while receiving increased support and guidance during times of pivotal change, such as applying to college, choosing a career, or dealing with the daily challenges of young adulthood. They receive training in counseling, leadership, conflict resolution, and behavior modeling during the academic year.

Girls Quest primarily receives its revenue and support from foundations and corporate grants for the support of its efforts. Individual contributions and program fees provide additional support.

**Income Tax Status:** Girls Quest is exempt from federal income tax under Internal Revenue Code Section 501(c)(3), is publicly supported, as described in Section 509(a), and did not conduct unrelated business activities.

**Basis of Accounting:** The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**GIRLS VACATION FUND, INC.**  
**D/B/A GIRLS QUEST**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition: Girls Quest recognizes revenue from foundations and corporate grants in the period these grants are pledged. Revenue received under these foundation and corporate grants is usually unrestricted as to use. All other contributions are recognized as revenue upon the receipt of cash.

Financial Statement Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under these guidelines, Girls Quest 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, as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted - Net assets subject to donor-imposed stipulations that may or will be met, either by action of Girls Quest and/or the passage of time.

Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by Girls Quest. Generally, the donors of these assets permit Girls Quest to use all or part of the income earned on any related investments for general purposes.

Cash and Cash Equivalents: For the purpose of the statements of cash flows, Girls Quest considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs to be used when available. The fair value hierarchy is categorized into three levels (see Note 2).

Contributions: Contributions are recognized when the donor makes a promise to give to Girls Quest 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 temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**GIRLS VACATION FUND, INC.**  
**D/B/A GIRLS QUEST**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of Estimates: The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from these estimates.

Property and Equipment: Property and equipment are stated at cost. Those assets acquired by gift are carried at fair market value established at the date of acquisition. Maintenance and repairs are charged to expense and betterments, in excess of \$1,000, are capitalized.

Depreciation expense is computed using the straight-line method over each asset's estimated useful life as follows:

	<u>Years</u>
Buildings and improvements .....	10-25
Furniture and fixtures .....	7
Equipment and vehicles .....	5

A half-year of depreciation is generally provided in the years of acquisition and disposal.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses and activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications: Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Events Occurring After the Report Date: Girls Quest has evaluated events and transactions that occurred between January 1, 2010 and June 2, 2010, which is the date that the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**GIRLS VACATION FUND, INC.**  
**D/B/A GIRLS QUEST**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 2 -- INVESTMENTS**

Investments are presented in the financial statements at fair value. A fair value hierarchy has been established that prioritizes the inputs in the valuation techniques used to measure fair value into three broad levels (Level 1, 2, and 3).

- Level 1: Level 1 instruments are valued using observable inputs that reflect quoted prices for identical assets or liabilities in active markets that Girls Quest has the ability to access at the measurement date. Level 1 assets include highly liquid United States Treasury securities and exchange traded equity securities.
- Level 2: Level 2 instruments are valued using observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities. Most debt securities and some preferred stocks are model priced by vendors using observable inputs and are classified within Level 2. Also included in the Level 2 category are derivative instruments that are priced using models with observable market inputs, including interest rate, foreign currency, and certain credit swap contracts.
- Level 3: Level 3 instruments are valued using valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk). Level 3 securities include less liquid securities such as highly structured and/or lower quality asset-backed securities ("ABS") and commercial mortgage-backed securities ("CMBS"), including ABS backed by sub-prime loans, and private placement debt and equity securities. Embedded derivatives and complex derivatives securities, including equity derivatives, longer dated interest rate swaps and certain complex credit derivatives are also included in Level 3. Because Level 3 fair values, by their nature, contain unobservable market inputs as there is no observable market for these assets and liabilities, considerable judgment is used to determine the Level 3 fair values. Level 3 fair values represent Girls Quest's best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

All of the investments held by Girls Quest are considered level 1 investments because they are regularly traded and have quoted prices in active markets.

The fair and historic values of Girls Quest's investments at December 31, 2009, by major security type are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Stocks (diversified portfolio).....	\$ 710,158	\$ 964,127
Fixed income securities.....	506,519	500,600
Money market funds.....	<u>7,109</u>	<u>7,109</u>
Total investments	<u>\$ 1,223,786</u>	<u>\$ 1,471,836</u>

**GIRLS VACATION FUND, INC.**  
**D/B/A GIRLS QUEST**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 2 – INVESTMENTS (continued)**

The following schedule summarizes the investment return included in the statement of activities for the years ended December 31, 2009:

Interest and dividend income.....	\$ 56,184
Net realized capital gains.....	56,141
Net unrealized capital gains.....	110,744
Investment advisory fees.....	<u>(11,819)</u>
Total investment return	<u>\$ 211,250</u>

While the underlying investments are unrestricted, the Board has designated these funds to provide for future programs. Management and the Board of Directors have agreed to use up to 5% of the investment portfolio to cover any operational deficit.

Girls Quest invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment holdings could occur in the near term and that change could materially affect the amounts reported in the accompanying statement of financial position.

**NOTE 3 -- PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2009:

Buildings and improvements.....	\$ 570,812
Furniture and fixtures.....	47,808
Equipment.....	94,094
Vehicles.....	<u>105,951</u>
Subtotal of property and equipment	818,665
Less accumulated depreciation	<u>(504,325)</u>
Net carrying value	314,340
Construction in progress	<u>791,048</u>
Total property and equipment	<u>\$ 1,105,388</u>

Included in construction in progress is \$425,131 attributable to the development by Girls Quest of a waste water treatment plant that is being funded by the New York State Environmental Facilities Corporation ("NYSEFC"). In conjunction with development of the plant, Girls Quest is

**GIRLS VACATION FUND, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 3 -- PROPERTY AND EQUIPMENT (continued)**

in negotiations with NYSEFC whereby NYSEFC will reimburse Girls Quest for any incremental operating and maintenance costs, subject to a negotiated cap, associated with the use of the waste water treatment plant over a period of 30 years following the commencement of the plant's operations, unless sooner terminated. For as long as the City has a responsibility to cover operating and maintenance costs of the regulatory upgrades, the agreement will be extended in 30 year increments. Girls Quest has reflected the monies spent on the waste water treatment plant project as temporarily restricted net assets, to be released from restriction as the project is depreciated over the initial 30 year term of the agreement (see Note 6).

In addition, Girls Quest has not recorded the value of land that was donated more than fifty years ago. Girls Quest is currently in the process of determining the historical cost of the land as well as the current appraised value. Historical cost is not estimated to be material to the financial statements.

**NOTE 4 -- CONCENTRATIONS OF CREDIT RISK**

Girls Quest maintains cash in several bank accounts held by the same bank which are insured by the Federal Deposit Insurance Corporation. Girls Quest's investments are insured by the Securities Investor Protection Corporation up to \$500,000. As of December 31, 2009, approximately \$971,836 of investments are in excess of this limit.

**NOTE 5 -- LEASED FACILITIES**

Girls Quest entered into a lease for office space in Manhattan, effective May 1, 2006, for an annual base rent of approximately \$66,500 (\$5,791 per month for the first half of the year and \$5,964 per month for the second half of the year), plus annual escalations of 3%. The lease expires April 30, 2013.

Future minimum commitments under this lease are as follows:

2010.....	\$	73,012
2011.....		78,819
2012.....		82,965
2013.....		<u>27,644</u>
Total	\$	<u>262,440</u>

For the year ended December 31, 2009, Girls Quest incurred rent expense of \$80,561.

**GIRLS VACATION FUND, INC.  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 6 — RESTRICTED NET ASSETS**

Girls Quest reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support. During 2009, Girls Quest received \$198,109 in contributions whose restrictions had been met in the same year of receipt and have been reflected as unrestricted in the accompanying statements of activities.

Temporarily restricted net assets of \$652,891 at December 31, 2009 consisted of \$227,760 restricted for the flush toilet project and an additional \$425,131 of construction in progress attributable to the waste water treatment plant (see Note 3) which is included in the property and equipment in the accompanying statement of financial position. Of the \$227,760 restricted for the flush toilet project, \$104,583 is included in restricted cash in the accompanying statement of financial position and \$123,177 of temporarily restricted net assets were used in the current and in previous years for operations.

During 2009, \$17,442 of net assets were released from restriction for the flush toilet project. These funds have been used for construction that was not complete at December 31, 2009 and are contained within construction in progress.

During the year ended December 31, 2009 management corrected a prior year error concerning the waste water treatment plant. \$92,915 of assets previously reflected as temporarily restricted has been reclassified as unrestricted as of December 31, 2008. In addition, \$16,383 that was previously reflected as temporarily restricted net assets for the flush toilet project was reclassified as unrestricted as of December 31, 2008.

In addition, Girls Quest has a permanently restricted fund, Eva's Garden Fund, the principal of which is restricted by the donors in perpetuity. Under the terms of the restriction, Girls Quest has used the investment income from these funds for the Memorial Grove garden at the camp. The balance of this permanently restricted fund at December 31, 2009 was \$9,715.

**NOTE 7 — ENDOWMENT**

The endowment: Girls Quest has an endowment that consists of individual donor-restricted funds that has been established for the Eva's Garden Fund. There is an additional endowment that consists of funds designated by the Board of Directors.

Interpretation of relevant law: The Board of Directors has interpreted the New York State Uniform Management of Institutional Funds Act ("UMIFA") as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Girls Quest classifies the Eva's Garden Fund as permanently restricted net assets:

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE 7 — ENDOWMENT (continued)**

- the original value of the gifts donated to the permanent endowment;
- the original value of subsequent gifts to the permanent endowment; and
- accumulations to the Eva's Garden Fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Endowment net asset composition by type of fund: The Girls Quest unrestricted endowment of \$1,471,836 is entirely board designated and the permanently restricted endowment of \$9,715 is entirely donor-restricted, as of December 31, 2009.

Changes in endowment net assets: The following schedule summarizes the changes to the endowments for the year ended December 31, 2009:

	Board Designated	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 1,755,434	\$ 9,715	\$ 1,765,149
Interest and dividends, net of investment expenses	44,365	86	44,451
Net appreciation	166,885	-	166,885
Contributions	-	-	-
Amounts appropriated for expenditure	(494,848)	(86)	(494,934)
Change in endowment net assets	(283,598)	-	(283,598)
Endowment net assets, end of year	<u>\$ 1,471,836</u>	<u>\$ 9,715</u>	<u>\$ 1,481,551</u>

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMIFA requires the organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2009.

Return objectives and risk parameters: Girls Quest has adopted investment and spending strategies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, Girls Quest relies on a total-return strategy in which investment returns are achieved through a balanced portfolio of equity based and fixed securities. Girls Quest targets a conservative asset allocation that places a greater emphasis on the conservation of investment principal to achieve its long-term return objectives within prudent risk constraints



**GIRLS VACATION FUND, INC.  
D/B/A GIRLS QUEST**

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 — ENDOWMENT (continued)**

Spending policy: Girls Quest has a policy of spending the investment income generated from its permanently restricted funds, which is allowable under the donor guidelines. At December 31, 2009, any unspent donor-restricted investment income was added to the temporarily restricted balance of the appropriate net assets.