



GirlsQuest

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

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

FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007



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

*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007
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CERINI

ASSOCIATES LLP
Certified Public Accountants

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 statements of financial position of Girls Vacation Fund, Inc. (d/b/a Girls Quest, a not-for-profit corporation) as of October 31, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 audits provide 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 October 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America.

Cerini & Associates LLP

March 10, 2009
Bohemia, New York

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

STATEMENTS OF FINANCIAL POSITION
OCTOBER 31,

2008

2007

ASSETS

Current Assets:

Cash and cash equivalents (Notes 4 and 7).....	\$	20,781	\$	48,482
Accounts and grants receivable		23,345		34,226
Prepaid expenses and other current assets.....		4,263		7,880

TOTAL CURRENT ASSETS		48,389		90,588
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Restricted cash and cash equivalents (Notes 4 and 7).....		206,117		275,838
Investments at fair market value (Notes 2 and 4).....		1,995,777		3,065,308
Property and equipment, net of accumulated depreciation (Notes 3, 6, and 7).....		785,234		681,016
Security deposits.....		21,833		21,833

TOTAL ASSETS	\$	3,057,350	\$	4,134,583
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$	62,356	\$	29,010
Current portion of loan payable (Note 6).....		3,761		4,728

TOTAL CURRENT LIABILITIES		66,117		33,738
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Loan payable, net of current portion (Note 6).....		-		3,454
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TOTAL LIABILITIES		66,117		37,192
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Commitments and contingencies (Notes 4, 5, 6, and 7)

Net Assets:

Unrestricted:

Undesignated.....		515,902		540,965
Board designated (Note 2).....		1,995,777		3,065,308
Temporarily restricted (Note 7).....		469,839		481,403
Permanently restricted (Note 7)		9,715		9,715

TOTAL NET ASSETS		2,991,233		4,097,391
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TOTAL LIABILITIES AND NET ASSETS	\$	3,057,350	\$	4,134,583
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**GIRLS VACATION FUND, INC.
D/B/A GIRLS QUEST**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2008**

SUPPORT AND REVENUE:	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Grants	\$ 296,166	\$ 69,099	\$ -	\$ 365,265
Contributions.....	149,109	19,857	-	168,966
Camp fees.....	47,839	-	-	47,839
Special events , net of direct expenses of \$48,535.....	82,370	-	-	82,370
Interest income.....	-	7,226	-	7,226
Net assets released from restrictions.....	107,746	(107,746)	-	-
Total Support and Revenue	683,230	(11,564)	-	671,666
EXPENSES:				
Program services:				
Summer experiential education and development	630,247	-	-	630,247
Teen leadership.....	48,990	-	-	48,990
Mentor	155,781	-	-	155,781
Advancing year round engagement.....	21,526	-	-	21,526
Total Program Services	856,544	-	-	856,544
Supporting services:				
Management and general.....	140,867	-	-	140,867
Fundraising.....	142,492	-	-	142,492
Total Supporting Services	283,359	-	-	283,359
Total Expenses	1,139,903	-	-	1,139,903
Change in net assets from operations.....	(456,673)	(11,564)	-	(468,237)
Investment loss (Note 2).....	(637,921)	-	-	(637,921)
Total change in net assets.....	(1,094,594)	(11,564)	-	(1,106,158)
Net assets, beginning of year	3,606,273	481,403	9,715	4,097,391
Net assets, end of year.....	\$ 2,511,679	\$ 469,839	\$ 9,715	\$ 2,991,233

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

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Grants	\$ 299,329	-	\$ -	299,329
Contributions	91,005	48,134	-	139,139
Camp fees	40,471	-	-	40,471
Special events, net of direct expenses of \$43,845	82,283	-	-	82,283
Interest income	-	14,100	-	14,100
Net assets released from restrictions	20,000	(20,000)	-	-
Total Support and Revenue	533,088	42,234	-	575,322
EXPENSES:				
Program services:				
Summer experiential education and development	586,171	-	-	586,171
Teen leadership	38,877	-	-	38,877
Mentor	144,724	-	-	144,724
Advancing year round engagement	30,327	-	-	30,327
Total Program Services	800,099	-	-	800,099
Supporting services:				
Management and general	119,281	-	-	119,281
Fundraising	135,060	-	-	135,060
Total Supporting Services	254,341	-	-	254,341
Total Expenses	1,054,440	-	-	1,054,440
Change in net assets from operations	(521,352)	42,234	-	(479,118)
Investment income (Note 2)	362,920	-	-	362,920
Total change in net assets	(158,432)	42,234	-	(116,198)
Net assets, beginning of year	3,764,705	439,169	9,715	4,213,589
Net assets, end of year	\$ 3,606,273	\$ 481,403	\$ 9,715	\$ 4,097,391

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

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

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2008

	Program Services				Supporting Services			Total Expenses
	Experi- mental Education and Development Program	Teen Leadership Program	Mentor Program	Advancing Year Round Engagement Program	Total Program Services	Management and General	Fundraising	
Salaries	\$ 301,463	\$ 28,297	\$ 91,480	\$ 9,572	\$ 430,812	\$ 77,624	\$ 78,519	\$ 586,955
Payroll taxes and employee benefits	63,884	5,996	19,385	2,028	91,293	16,449	16,639	124,381
Professional fees	31,544	2,961	9,572	1,002	45,079	8,122	8,216	61,417
Telephone	5,967	664	2,147	225	9,003	1,822	1,842	12,667
Postage and delivery	3,356	256	562	250	4,424	2,370	2,397	9,191
Conferences, dues, and subscriptions	6,970	265	858	90	8,183	728	737	9,648
Repairs, maintenance, and equipment	23,967	83	269	2,147	26,466	228	230	26,924
Food	39,078	705	943	1,486	42,212	1,487	1,505	45,204
Occupancy (Note 5)	39,363	3,695	11,944	1,250	56,252	10,136	10,253	76,641
Utilities	15,852	1,488	4,810	503	22,653	4,082	4,129	30,864
Staff development	5,972	164	2,186	56	8,378	451	457	9,286
Printing and production	3,356	132	1,090	301	4,879	925	935	6,739
Auto expenses	955	-	-	-	955	-	-	955
Transportation	15,916	511	672	609	17,708	1,292	1,307	20,307
Supplies	13,398	752	96	985	15,231	6,864	6,944	29,039
Insurance	19,403	1,821	5,888	616	27,728	4,996	5,054	37,778
Miscellaneous	4,698	441	1,426	149	6,714	1,210	1,224	9,148
Depreciation	35,105	759	2,453	257	38,574	2,081	2,104	42,759
	\$ 630,247	\$ 48,990	\$ 155,781	\$ 21,526	\$ 856,544	\$ 140,867	\$ 142,492	\$ 1,139,903

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

**GIRLS VACATION FUND, INC.
DIB/A GIRLS QUEST**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2007**

	Program Services					Supporting Services			Total Expenses
	Summer					Management and General	Fundraising	Total	
	Development Program	Teen Leadership Program	Mentor Program	Advancing Year Round Engagement Program	Total Program Services				
Salaries	\$ 299,090	\$ 18,330	\$ 86,633	\$ 15,459	\$ 419,512	\$ 73,656	\$ 83,643	\$ 576,811	
Payroll taxes and employee benefits	61,873	3,792	17,922	3,198	86,785	15,238	17,304	119,327	
Professional fees	14,838	909	4,298	767	20,812	3,654	4,149	28,615	
Telephone	11,263	778	942	183	13,166	803	893	14,862	
Postage and delivery	5,872	765	2,488	294	9,419	1,292	1,436	12,147	
Conferences, dues, and subscriptions	5,263	281	55	15	5,614	151	143	5,908	
Repairs, maintenance, and equipment	12,822	851	787	2,123	16,583	497	553	17,633	
Food	31,259	1,679	490	1,840	35,268	174	164	35,606	
Occupancy (Note 5)	34,701	2,127	10,051	1,794	48,673	8,546	9,705	66,924	
Utilities	15,810	1,501	3,411	662	21,384	2,909	3,233	27,526	
Staff development	6,980	1,193	1,272	9	9,454	45	43	9,542	
Printing and production	4,230	480	1,310	288	6,308	1,117	1,242	8,667	
Auto expenses	1,169	62	-	-	1,231	-	-	1,231	
Transportation	13,548	878	1,660	652	16,738	225	214	17,177	
Supplies	22,073	1,636	1,397	819	25,925	752	836	27,513	
Insurance	21,944	2,178	5,219	1,013	30,354	4,451	4,948	39,753	
Miscellaneous	2,570	158	745	133	3,606	633	719	4,958	
Depreciation	20,866	1,279	6,044	1,078	29,267	5,138	5,835	40,240	
	<u>\$ 586,171</u>	<u>\$ 38,877</u>	<u>\$ 144,724</u>	<u>\$ 30,327</u>	<u>\$ 800,099</u>	<u>\$ 119,281</u>	<u>\$ 135,060</u>	<u>\$ 1,054,440</u>	

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

*STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31,*

2008

2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$ (1,106,158)	\$ (116,198)
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Adjustments to reconcile change in net assets to net cash used in operating activities:

Depreciation expense.....	42,759	40,240
Unrealized loss/(gains) on investments, net.....	617,692	103,575
Realized loss/(gains) on investments, net.....	78,363	(399,559)

Changes in operating assets and liabilities:

Accounts and grants receivable.....	10,881	(22,459)
Prepaid expenses and other current assets.....	3,617	7,217
Security deposits.....	-	5,459
Accounts payable and accrued expenses.....	33,346	145

Net cash used in operating activities	(319,500)	(381,580)
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CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of marketable securities.....	(96,025)	(361,610)
Sales of marketable securities.....	469,501	799,932
Purchases of property and equipment.....	(146,977)	(58,156)

Net cash provided by investing activities	226,499	380,166
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CASH FLOWS FROM FINANCING ACTIVITIES:

Payments of loan payable.....	(4,421)	(4,376)
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Cash used in financing activities	(4,421)	(4,376)
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Net change in cash and cash equivalents	(97,422)	(5,790)
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Cash and cash equivalents, beginning of year.....	324,320	330,110
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Cash and cash equivalents, end of year.....	\$ 226,898	\$ 324,320
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GIRLS VACATION FUND, INC.
D/B/A GIRLS QUEST

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007

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.

Each year Girls Quest serves over 300 girls who range in age from 8 to 17. Most of these girls come from the five boroughs of New York City, with approximately 24% from the Bronx, 31% from Brooklyn, 20% from Manhattan, 13% from Queens, and 3% from Staten Island. Girls also joined from other nearby low-income communities, with 3% from the Catskills region, 3% from Long Island, and 2% from Westchester. As a group they were racially diverse: 69% were African American, 16% were Latina, 4% were Caucasian, 1% were Asian American; and 8% were multi-racial. Of the girls served, 77% percent came from low-income families and many faced other challenges that made them "at risk" of engaging in dangerous behaviors and underachieving in school. Nearly 77% of the girls served lived in single-parent households or were in foster care. 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 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 the point of entry for all girls who join Girls Quest. This two-week, goal-oriented summer program 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 these girls to achieve their potential. The summer site is located on 464 pristine acres in Windham, New York and is bordered by 10,000 acres of State forestland in the Catskills.

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

*NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007*

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

Mentor Program

The Mentor Program pairs girls with a supportive, female role-model who provides encouragement and direction to help facilitate healthy overall development. These girls are matched with professionals who volunteer their services, offering guidance, support, and friendship to girls ages 12-17. Together they explore cultural, recreational, educational, and social resources in New York City through bi-monthly outings for at least one year.

Advancing Year-Round Engagement Program ("AYRE")

In 2006, Girls Quest piloted a new program initiative, AYRE, which was designed in response to the need and demand of the girls in all of Girls Quest's programs. AYRE has developed and implemented new program components during the school year, such as workshops, cultural/outdoor experiences, and community volunteer projects for the girls in the SEED program. There are also new opportunities for girls in the mentoring and leadership programs to enhance their pre-existing year-round activities, and work together with those girls and with each other. Girls Quest expanded the AYRE program to a monthly engagement during 2008.

Teen Leadership Program

The primary purpose of the program is to keep the teens connected, engaged, and developing to their best potentials after participation in the SEED Program. Overall goals of Girls Quest's Teen Leadership Program are to develop and grow: leadership skills, sense of responsibility, ability to set goals, along with enhancing communication and literacy skills. Equally important, as a three-year, year-round program, it provides the teens with the long-term, positive, strong peer support networks that are often missing from the lives of today's young people. Teens receive training in counseling, conflict resolution, and behavior modeling. Teens are able to implement these skills by serving during the summer as peer leaders in the SEED Program.

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.

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

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

*NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007*

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

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 ("SFAS") No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, 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.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007

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

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
Leasehold improvements.....	7
Furniture and fixtures	7
Equipment and vehicles.....	5

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

Change in Reporting Period: Subsequent to year-end, Girls Quest changed its year-end to December 31.

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.

NOTE 2 -- INVESTMENTS

Investments are presented in the financial statements at fair market value. The following lists the fair and historic values of Girls Quest's investments by major security type at October 31,:

<u>2008</u>	<u>Cost</u>	<u>Fair Value</u>
Stocks (diversified portfolio).....	\$ 990,035	\$ 1,212,615
Fixed income securities.....	541,954	498,108
Money market funds.....	285,054	285,054
Total investments	<u>\$ 1,817,043</u>	<u>\$ 1,995,777</u>
<u>2007</u>	<u>Cost</u>	<u>Fair Value</u>
Stocks (diversified portfolio).....	\$ 1,280,076	\$ 2,005,617
Fixed income securities.....	682,596	656,957
Money market funds.....	402,734	402,734
Total investments	<u>\$ 2,365,406</u>	<u>\$ 3,065,308</u>

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007

NOTE 2 -- INVESTMENTS (continued)

The following schedule summarizes the investment return included in the statements of activities for the years ended October 31,:

	<u>2008</u>	<u>2007</u>
Interest and dividend income.....	\$ 78,730	\$ 88,792
Net realized capital (loss)/gains.....	(78,363)	399,559
Net unrealized capital loss.....	(617,692)	(103,575)
Investment advisory fees.....	(20,596)	(21,856)
Total investment return	<u>\$ (637,921)</u>	<u>\$ 362,920</u>

Girls Quest has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations," which requires the valuing of investments at fair market value. While the underlying investments are unrestricted, the Board has designated these funds to provide for future programs. Management and the Board of Directors have designated up to 5% of the investment portfolio to cover any operational deficit.

NOTE 3 -- PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at October 31,:

	<u>2008</u>	<u>2007</u>
Buildings and improvements.....	\$ 526,098	\$ 518,757
Leasehold improvements.....	29,097	29,097
Furniture and fixtures.....	37,005	36,779
Equipment.....	94,094	83,982
Vehicles.....	112,750	90,951
Subtotal of property and equipment	799,044	759,566
Less accumulated depreciation	<u>(460,245)</u>	<u>(417,486)</u>
Net carrying value	338,799	342,080
Construction in progress	446,435	338,936
Total property and equipment	<u>\$ 785,234</u>	<u>\$ 681,016</u>

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.

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007

NOTE 4 -- CONCENTRATIONS OF CREDIT RISK

Girls Quest maintains cash in several bank accounts which are insured by the Federal Deposit Insurance Corporation. In addition, Girls Quest maintains investments with a brokerage firm insured under similar coverage which exceeded limitations by \$1,995,223 as of October 31, 2008.

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 (\$5,458 per month for the first half and \$5,622 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 the years ending December 31,:

Fiscal 2009.....	\$	70,532
Fiscal 2010.....		77,526
Fiscal 2011.....		77,526
Fiscal 2012.....		82,550
Fiscal 2013.....		41,884
Total	\$	<u>350,018</u>

For the years ended October 31, 2008 and 2007, Girls Quest incurred rent expense of \$76,641 and \$66,924, respectively.

NOTE 6 -- LOAN PAYABLE

During fiscal 2004, Girls Quest entered into a loan to purchase a vehicle. The loan requires payments of \$435 of principal and interest per month, bears interest at 7.75% per annum, and expires in July 2009. The loan is secured by the vehicle which had a book value of \$5,710 at October 31, 2008. The balance of \$3,761 is due in 2009 and has been classified as a current liability on the accompanying statement of financial position.

NOTE 7 -- RESTRICTED NET ASSETS

Net assets were temporarily restricted for the following purposes at October 31,:

	<u>2008</u>	<u>2007</u>
Flush toilet project.....	\$ 263,878	\$ 266,124
Watershed project.....	190,961	215,279
Equipment.....	15,000	-
Total restricted net assets	<u>\$ 469,839</u>	<u>\$ 481,403</u>

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

*NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2008 AND 2007*

NOTE 7 -- RESTRICTED NET ASSETS (continued)

In accordance with SFAS No. 117, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. During 2008 and 2007, Girls Quest received \$173,250 and \$131,100, respectively, 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.

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 can use the investment income from these funds for the Memorial Grove Garden at the camp. The balance of this permanently restricted fund at both October 31, 2008 and 2007 was \$9,715.

Funds for the flush toilet project and the permanently restricted fund have been included within restricted cash and cash equivalents on the accompanying statements of financial position as they are expected to be utilized for long term purposes. Funds for the Watershed project have been used for construction that was not complete at October 31, 2008 and this has been maintained within construction in progress. All other restricted funds are maintained within the unrestricted portion of cash and cash equivalents as they are expected to be utilized in the following fiscal year.