



GirlsQuest

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

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

FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006



CERINI
&
ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS

Connected
to your business
goals
success

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006
TABLE OF CONTENTS**

Independent Auditors' Report	1
Audited Financial Statements	
Statements of Financial Position.....	2
Statement of Activities for the year ended October 31, 2007.....	3
Statement of Activities for the year ended October 31, 2006.....	4
Statement of Functional Expenses for the year ended October 31, 2007	5
Statement of Functional Expenses for the year ended October 31, 2006	6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8



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, 2007 and 2006, 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, 2007 and 2006, 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

February 8, 2008
Bohemia, New York

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

STATEMENTS OF FINANCIAL POSITION
OCTOBER 31,

2007

2006

ASSETS

Current Assets:

Cash and cash equivalents (Notes 4 and 7).....	\$	48,482	\$	68,371
Accounts and grants receivable		34,226		11,767
Prepaid expenses and other current assets.....		7,880		15,097

		90,588		95,235
--	--	--------	--	--------

Restricted cash and cash equivalents (Notes 4 and 7).....		275,838		261,739
Investments at fair market value (Notes 2, 4, and 8).....		3,065,308		3,207,646
Property and equipment-net of accumulated depreciation (Notes 3, 6, 7, and 9).....		681,016		663,100
Security deposits.....		21,833		27,292

	\$	4,134,583	\$	4,255,012
--	----	-----------	----	-----------

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$	29,010	\$	28,865
Current portion of loan payable (Note 6).....		4,728		4,376

		33,738		33,241
--	--	--------	--	--------

Loan payable - net of current portion (Note 6).....		3,454		8,182
---	--	-------	--	-------

		37,192		41,423
--	--	--------	--	--------

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

Net Assets (Note 7):

Unrestricted:

Undesignated.....		540,965		557,059
Board designated (Notes 2 and 8).....		3,065,308		3,207,646
Temporarily restricted		481,403		439,169
Permanently restricted		9,715		9,715

		4,097,391		4,213,589
--	--	-----------	--	-----------

	\$	4,134,583	\$	4,255,012
--	----	-----------	----	-----------

**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 (Note 8)	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
Net (loss)/ income from operations	(521,352)	42,234	-	(479,118)
Investment income (Note 2)	362,920	-	-	362,920
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 the financial statements.

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2006**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE :				
Grants	\$ 271,738	175,993	-	\$ 447,731
Contributions (Note 8).....	236,002	-	-	236,002
Camp fees.....	39,272	-	-	39,272
Special events - net of direct expenses of \$31,025.....	80,327	-	-	80,327
Interest income.....	-	-	-	-
Net assets released from restrictions.....	8,793	(8,793)	-	-
	636,132	167,200	-	803,332
Total Support and Revenue				
EXPENSES:				
Program services:				
Summer experiential education and development	558,192	-	-	558,192
Teen leadership.....	31,555	-	-	31,555
Mentor	72,239	-	-	72,239
Advancing year round engagement.....	21,613	-	-	21,613
	683,599	-	-	683,599
Supporting services:				
Management and general.....	131,279	-	-	131,279
Fundraising.....	97,685	-	-	97,685
	228,964	-	-	228,964
Total Supporting Services				
	912,563	-	-	912,563
Net (loss)/ income from operations.....	(276,431)	167,200	-	(109,231)
Investment income (Note 2).....	352,577	-	-	352,577
Change in net assets.....	76,146	167,200	-	243,346
Net assets, beginning of year.....	3,688,559	271,969	9,715	3,970,243
Net assets, end of year.....	\$ 3,764,705	\$ 439,169	\$ 9,715	\$ 4,213,589

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 OCTOBER 31, 2007**

	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	\$ 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 (Note 9)	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>

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 OCTOBER 31, 2006**

	Program Services						Supporting Services		
	Summer		Advancing Year		Management		Management		Total
	Experiential Education and Development Program	Teen Leadership Program	Mentor Program	Round Engagement Program	Total Program	General	Fundraising		
Salaries	\$ 250,453	\$ 18,182	\$ 46,863	\$ 11,347	\$ 326,845	\$ 78,601	\$ 64,618	\$ 470,064	
Payroll taxes and employee benefits	48,995	3,698	9,244	1,849	63,786	15,715	12,942	92,443	
Professional fees (Note 9)	27,495	2,075	5,188	1,037	35,795	8,819	7,263	51,877	
Telephone	13,198	331	993	-	14,522	1,409	1,162	17,093	
Postage and delivery	1,259	150	407	-	1,816	4,092	1,212	7,120	
Conferences, dues, and subscriptions	3,290	-	-	-	3,290	960	-	4,250	
Repairs, maintenance, and equipment	20,273	-	-	-	20,273	-	-	20,273	
Food	31,337	524	559	514	32,934	421	348	33,703	
Occupancy (Note 5)	22,475	1,696	4,241	848	29,260	7,209	5,937	42,406	
Utilities	20,585	147	440	4,340	25,512	623	513	26,648	
Staff development	4,294	3,600	1,192	-	9,086	1,837	-	10,923	
Printing and production	8,695	343	343	347	9,728	4,788	1,059	15,575	
Auto expenses	1,538	-	-	-	1,538	-	-	1,538	
Transportation	15,110	41	-	174	15,325	1,313	-	16,638	
Supplies	5,438	152	975	1,104	7,669	2,512	475	10,656	
Insurance	42,185	386	1,158	-	43,729	2,002	1,352	47,083	
Miscellaneous	1,406	106	265	53	1,830	451	371	2,652	
Depreciation	40,166	124	371	-	40,661	527	433	41,621	
	<u>\$ 558,192</u>	<u>\$ 31,555</u>	<u>\$ 72,239</u>	<u>\$ 21,613</u>	<u>\$ 683,599</u>	<u>\$ 131,279</u>	<u>\$ 97,685</u>	<u>\$ 912,563</u>	

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

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31,

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	\$ (116,198)	\$ 243,346
<u>Adjustments to reconcile change in net assets to net cash used in operating activities:</u>		
Depreciation expense.....	40,240	41,621
Unrealized loss/(gains) on investments - net.....	103,575	(147,547)
Realized gains on investments - net.....	(399,559)	(120,448)
<u>Changes in operating assets and liabilities:</u>		
Accounts and grants receivable.....	(22,459)	23,630
Prepaid expenses and other current assets.....	7,217	(13,906)
Security deposits.....	5,459	(26,349)
Accounts payable and accrued expenses.....	145	(698)
Net cash used in operating activities	<u>(381,580)</u>	<u>(351)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of marketable securities.....	(361,610)	(304,903)
Sales of marketable securities.....	799,932	491,568
Purchases of property and equipment.....	(58,156)	(186,580)
Net cash provided by investing activities	<u>380,166</u>	<u>85</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of loans payable.....	(4,376)	(4,051)
Cash used in financing activities	<u>(4,376)</u>	<u>(4,051)</u>
Net change in cash and cash equivalents	(5,790)	(4,317)
Cash and cash equivalents - beginning of year.....	330,110	334,427
Cash and cash equivalents - end of year.....	<u>\$ 324,320</u>	<u>\$ 330,110</u>

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006**

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 330 girls who range in age from 8 to 16. Most of these girls come from the five boroughs of New York City, with approximately 21% from the Bronx, 25% from Brooklyn, 25% from Manhattan, 14% from Queens, and 4% from Staten Island. The remaining girls of approximately 11% were from Long Island, Westchester, Rockland, and the Catskills region. As a group they are racially diverse: 69% are African American, 14% are Latina, 4% are Caucasian, 1% are Native American, 1% are Asian American; and 11% are multi-racial. Of the girls served, 84% 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 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, 2007 AND 2006**

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, the Advancing Year-Round Engagement Program (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 plans to expand the AYRE program to a monthly engagement during 2008.

Teen Leadership Program

Qualified girls age 15 and up are selected to participate in a series of cultural, educational and leadership activities. Teens are given the opportunity to develop leadership skills while receiving increased support and guidance during times of pivotal change. They receive training in counseling, conflict resolution, and behavior modeling during the academic year, in preparation for serving all summer, for three years, 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 grants is usually unrestricted as to use. All other contributions are recognized as revenue upon the receipt of cash.

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2007 AND 2006**

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

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.

