

Short Form Return of Organization Exempt From Income Tax

OMB No. 1545-1150

2008

Form **990-EZ**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form.
▶ *The organization may have to use a copy of this return to satisfy state reporting requirements.*

Open to Public
Inspection

A For the 2008 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization YOUTH QUEST, INC Number and street (or P.O. box, if mail is not delivered to street address) Room/Suite 1162 BELFAIR WAY City or town, state or country, and ZIP + 4 CHAPEL HILL, NC 27517	D Employer identification number 56-2051437 E Telephone number 919-942-1625 F Group Exemption Number ▶
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• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ). G Accounting method: Cash Accrual Other (specify) ▶

I Website: ▶ N/A **H Check** if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

J Organization type (check only one) — 501(c) (3) ◀ (insert no.) 4947(a)(1) or 527

K Check if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$1,000,000 or more, file Form 990 instead of Form 990-EZ. ▶ \$ **367,085.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

	Description	Line	Amount
Revenue	1 Contributions, gifts, grants, and similar amounts received	1	706.
	2 Program service revenue including government fees and contracts	2	361,552.
	3 Membership dues and assessments	3	
	4 Investment income	4	2.
	5a Gross amount from sale of assets other than inventory	5a	
	b Less: cost or other basis and sales expenses	5b	
	c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) (attach schedule)	5c	
	6 Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>		
	a Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
b Less: direct expenses other than fundraising expenses	6b		
c Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c		
7a Gross sales of inventory, less returns and allowances	7a		
b Less: cost of goods sold	7b		
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c		
8 Other revenue (describe ▶ MISCELLANEOUS INCOME)	8	4,825.	
9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	367,085.	
Expenses	10 Grants and similar amounts paid (attach schedule) STMT 4	10	11,679.
	11 Benefits paid to or for members	11	
	12 Salaries, other compensation, and employee benefits	12	256,775.
	13 Professional fees and other payments to independent contractors	13	9,156.
	14 Occupancy, rent, utilities, and maintenance	14	59,978.
	15 Printing, publications, postage, and shipping	15	
	16 Other expenses (describe ▶ SEE STATEMENT 1)	16	97,332.
	17 Total expenses. Add lines 10 through 16	17	434,920.
18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	-67,835.	
Net Assets	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	32,603.
	20 Other changes in net assets or fund balances (attach explanation)	20	
	21 Net assets or fund balances at end of year. Combine lines 18 through 20	21	-35,232.

Part II Balance Sheets. If Total assets on line 25, column (B) are \$2,500,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

	Description	(A) Beginning of year	(B) End of year
22	Cash, savings, and investments	19,776.	14,645.
23	Land and buildings	0.	
24	Other assets (describe ▶ SEE STATEMENT 2)	79,198.	46,103.
25	Total assets	98,974.	60,748.
26	Total liabilities (describe ▶ SEE STATEMENT 3)	66,371.	95,980.
27	Net assets or fund balances (line 27 of column (B) must agree with line 21)	32,603.	-35,232.

Part V Other Information (Note the statement requirements in the instructions for Part VI.)			Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	33		X
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	34		X
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.			
a	Did the organization have unrelated business gross income of \$1,000 or more or section 6033(e) notice, reporting, and proxy tax requirements?	35a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	35b	N/A	
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," complete applicable parts of Sch. N	36		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions.	37a		0.
b	Did the organization file Form 1120-POL for this year?	37b		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?	38a	X	
b	If "Yes," complete Schedule L, Part II and enter the total amount involved	38b		13,093.
39	Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on line 9	39a		N/A
b	Gross receipts, included on line 9, for public use of club facilities	39b		N/A
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 0. ; section 4912 0. ; section 4955 0.			
b	Section 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," complete Schedule L, Part I	40b		X
c	Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.			
d	Enter amount of tax on line 40c reimbursed by the organization 0.			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e		X
41	List the states with which a copy of this return is filed. ▶ NONE			
42a	The books are in care of ▶ EMILY SCHOFIELD Telephone no. ▶ 919-942-1625 Located at ▶ 1162 BELFAIR WAY, CHAPEL HILL, NC ZIP + 4 ▶ 27517			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: ▶	42b		X
c	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. At any time during the calendar year, did the organization maintain an office outside of the U.S.? If "Yes," enter the name of the foreign country: ▶	42c		X
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43 N/A			
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ	44		X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ	45		X

Part VI Section 501(c)(3) organizations only. All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51.

- 46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

	Yes	No
46		X
- 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II

	Yes	No
47		X
- 48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

	Yes	No
48		X
- 49a Did the organization make any transfers to an exempt non-charitable related organization?

	Yes	No
49a		X
- b If "Yes," was the related organization(s) a section 527 organization?

	Yes	No
49b		
- 50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
NONE				
Total number of other employees paid over \$100,000 ▶				

- 51 Complete this table for the five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
NONE		
Total number of other independent contractors each receiving over \$100,000 ▶		

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 officer) is based on all information of which preparer has any knowledge.

Sign Here Date 9-29-09

Signature of officer *Emily K. Schofield*

Type or print name and title Emily K. Schofield - Executive Director

Paid Preparer's Use Only

Preparer's signature *M. Neely McLaughlin* Date 9/22/09 Check if self-employed

Firm's name (or yours if self-employed), address, and ZIP + 4 BLACKMAN & SLOOP, CPAS, P.A. EIN

1414 RALEIGH RD, SUITE 300 Phone no. (919) 942-8700

CHAPEL HILL, NC 27517

May the IRS discuss this return with the preparer shown above? See instructions Yes No

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

2008
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization **YOUTH QUEST, INC** Employer identification number **56-2051437**

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H.)
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete the Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**. (see instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?		
(ii) A family member of a person described in (i) above?		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?		
- h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 - 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")			9,947.	5,000.	706.	15,653.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	702,083.	780,917.	789,313.	434,376.	361,552.	3068241.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 - 5	702,083.	780,917.	799,260.	439,376.	362,258.	3083894.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						3083894.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	702,083.	780,917.	799,260.	439,376.	362,258.	3083894.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	7.	22.	30.	17.	2.	78.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	7.	22.	30.	17.	2.	78.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)			690.	7,892.	4,825.	13,407.
13 Total support (Add lines 9, 10c, 11, and 12.)						3097379.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	99.56 %
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	99.97 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	.00 %
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, lines 38a or 40b.

OMB No. 1545-0047

2008

Open To Public
Inspection

Name of the organization **YOUTH QUEST, INC** Employer identification number **56-2051437**

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
	KELLY & EMILY SCH	X				0.	13,093.		X	X

Total ▶ \$ **13,093.**

Part III Grants or Assistance Benefiting Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

SEE GENERAL EXPLANATION FOR SCHEDULE L CONTINUATIONS

FORM 990-EZ OTHER EXPENSES STATEMENT 1

DESCRIPTION	AMOUNT
PAYROLL TAXES	15,289.
ADVERTISING	1,461.
OFFICE EXPENSES	4,209.
TRAVEL	2,831.
CONFERENCE & MEETINGS	6,382.
INTEREST EXPENSE	978.
INSURANCE	11,864.
AUTO EXPENSES	8,424.
BANK CHARGES	992.
CLIENT DIRECT EXPENSES	14,668.
REPAIRS	8,079.
LICENSE & PERMITS	6,594.
DUES & SUBSCRIPTIONS	1,000.
FINES & PENALTIES	1,445.
TELEPHONE	6,251.
TAXES	4,034.
MISCELLENEOUS EXPENSES	260.
DEPRECIATION	2,571.
TOTAL TO FORM 990-EZ, LINE 16	97,332.

FORM 990-EZ OTHER ASSETS STATEMENT 2

DESCRIPTION	BEG. OF YEAR	END OF YEAR
ACCOUNTS RECEIVABLE	78,898.	45,803.
REFUNDABLE DEPOSIT	300.	300.
TOTAL TO FORM 990-EZ, LINE 24	79,198.	46,103.

FORM 990-EZ OTHER LIABILITIES STATEMENT 3

DESCRIPTION	BEG. OF YEAR	END OF YEAR
ACCOUNTS PAYABLE & ACCRUED EXPENSES	12,581.	82,887.
LOANS FROM OFFICERS & DIRECTORS	53,790.	13,093.
TOTAL TO FORM 990-EZ, LINE 26	66,371.	95,980.

FORM 990-EZ

CASH GRANTS AND ALLOCATIONS

STATEMENT 4

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
THERAPEUTIC CARE TROY & JAMUE LANTZ 4124 LIVINGSTONE PLACE DURHAM, NC 27707	NONE	11,679.
TOTAL INCLUDED ON FORM 990-EZ, LINE 10		11,679.

FORM 990-EZ

INFORMATION REGARDING TRANSFERS
ASSOCIATED WITH PERSONAL BENEFIT CONTRACTS

STATEMENT 5

A) DID THE ORGANIZATION, DURING THE YEAR, RECEIVE ANY FUNDS,
DIRECTLY OR INDIRECTLY, TO PAY PREMIUMS ON A PERSONAL
BENEFIT CONTRACT? [] YES [X] NO

B) DID THE ORGANIZATION, DURING THE YEAR, PAY PREMIUMS,
DIRECTLY OR INDIRECTLY, ON A PERSONAL BENEFIT CONTRACT? . . [] YES [X] NO

YOUTH QUEST IS A SUPPORTIVE MEMBER OF THE TEACHING FAMILY ASSOCIATION. YOUTH QUEST CONTINUES TO EFFECTIVELY TEACH YOUTH AND FAMILIES SOCIAL, ACADEMIC, AND INDEPENDENT LIVING SKILLS WHICH HAVE BEEN SHOWN TO ENHANCE AT-RISK YOUTH & FAMILIES ABILITIES TO PROVIDE MORE HEALTHY AND FUNCTIONAL HOMES FOR THE COMMUNITY. IN 2008, YOUTH QUEST SERVED 6 AT-RISK YOUTH IN THEIR RESIDENTIAL TREATMENT HOMES AND 2 IN THEIR THERAPEUTIC FOSTER HOMES.

PROVIDE ENHANCED MENTAL HEALTH SERVICES INCLUDING THERAPEUTIC FOSTER CARE AND RESIDENTIAL TREATMENT SERVICES TO BOTH AT RISK YOUTH AND THEIR FAMILIES.

GENERAL EXPLANATION OVERFLOW

General Explanation Attachment

Name of the organization

YOUTH QUEST, INC

Employer identification number

56-2051437

SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS:

(A) NAME OF PERSON: KELLY & EMILY SCHOFIELD

(A) PURPOSE OF LOAN: LOAN TO COVER BUSINESS EXPENSES

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization YOUTH QUEST, INC	Employer identification number 56-2051437
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 1162 BELFAIR WAY	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CHAPEL HILL, NC 27517	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

EMILY SCHOFIELD

- The books are in the care of ▶ **1162 BELFAIR WAY - CHAPEL HILL, NC 27517**
 Telephone No. ▶ **919-942-1625** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2009**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year **2008** or
 ▶ tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).		
Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization YOUTH QUEST, INC	Employer identification number 56-2051437
	Number, street, and room or suite no. If a P.O. box, see instructions. 1162 BELFAIR WAY	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CHAPEL HILL, NC 27517	

Check type of return to be filed (File a separate application for each return):

- Form 990 Form 990-EZ Form 990-T (sec. 401(a) or 408(a) trust) Form 1041-A Form 5227 Form 8870
 Form 990-BL Form 990-PF Form 990-T (trust other than above) Form 4720 Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

EMILY SCHOFIELD

- The books are in the care of **▶ 1162 BELFAIR WAY - CHAPEL HILL, NC 27517**
Telephone No. **▶ 919-942-1625** FAX No. **▶**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **▶**. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **NOVEMBER 15, 2009.**
- 5 For calendar year **2008**, or other tax year beginning **▶**, and ending **▶**.
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension

MORE TIME IS NEEDED TO GATHER INFORMATION TO FILE A COMPLETE ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **▶ Emily Schofield** Title **▶ Executive Director** Date **▶ 9-25-09**

11:31 AM
 08/13/09
 Accrual Basis

Youth Quest Inc.
Trial Balance
 As of December 31, 2008

	Dec 31, 08	
	Debit	Credit
1104 · Suntrust Checking II	5,958.21	
1105 · Wachovia - TFT Program	33.79	
1107 · Petty Cash - Quest		35.97
1201 · Level III Medicaid Receivable	30,285.60	
1202 · Level III CMSED Receivable	623.50	
1203 · Level III DSS Receivable	1,333.00	
1206 · Level II Medicaid TFT Program	6,035.90	
1208 · Level II NC HealthChoice	94.50	
1209 · Level II DSS Receivable		459.89
1215 · Other Receivable	1,667.26	
1216 · Accounts in Litigation	6,222.64	
1411 · Computer Equipment	5,544.12	
1418 · Group Home FF and E	15,443.00	
1421 · Office Furniture	2,000.00	
1500 · Accumulated Depreciation		14,297.85
1900 · Refundable Deposit	300.00	
2082 · Advanta Bank		6,364.12
2092 · Sam's Club Credit Card		2,518.22
2101 · Federal Withholding		26.00
2102 · Soc Sec - Company		29.95
2103 · Soc Sec - Employee		29.95
2141 · Medicare - Company		7.00
2142 · Medicare - Employee		7.00
2160 · State Withholding		378.00
2170 · SUI		526.79
2250 · Due to Member		86,092.97
3910 · Accumulated Earning or Loss		32,602.93
4001 · Hive Treatment	8,471.00	
4002 · Quest Residential Treatment		235,209.49
4002M · North Carolina Medicaid		114,075.76
4003C · CMSED Room & Board Funding	13,149.68	
4003D · Division of Social Services		16,512.00
4004 · TFT Program		13,293.13
4004M · North Carolina Medicaid		4,579.20
4005D · Division of Social Services		260.10
4009 · Family Contribution		706.04
4010 · Others Income		4,800.31
4702 · Refund		25.00
6696 · TFT Office	6,380.00	
6559 · Difficulty of Care Stipend	11,679.00	
6691 · Executive Director Office	4,500.00	
6060 · Bank Charges	721.73	
6063 · Overdraft Transfer Fee	270.00	
6403 · Interest Charged	977.85	
6070 · Dues and Subscription	1,000.00	
6382 · Liability Insurance	4,471.21	
6508 · DHSR	2,559.16	
6509 · COA National Accreditation	4,035.00	
6551 · Office Supplies	3,941.47	
6560 · Payroll Expenses	15,230.80	
6561 · Gross Wages	144,530.96	
6562 · Bonuses	2,898.36	
6563 · Comissions	4,905.84	
6568 · Clinical Director Salaries	73,000.00	
6581 · Social Security	10,398.81	
6582 · Medicare	2,429.72	
6584 · SUI	2,460.41	
6610 · Postage and Delivery	259.04	
6641 · Accounting	2,240.00	
6642 · Legal Fees	6,916.25	
6450 · Depreciation	2,571.29	
66900 · Reconciliation Discrepancies	260.00	
6050 · Automobile Expense	33.00	
6051 · Fuel	2,678.53	
6052 · Repair / Maintenance	4,278.73	
6053 · Insurance	1,787.91	

11:31 AM
 08/13/09
 Accrual Basis

Youth Quest Inc.
Trial Balance
 As of December 31, 2008

	Dec 31, 08	
	Debit	Credit
6054 · Tax	448.04	
6055 · Mileage Reimbursement	496.04	
6056 · Car Rental	489.74	
6530 · Groceries	391.32	
6531 · Fast Food	70.09	
6591 · Health Insurance	1,400.79	
6570 · Schofield, Emily	170.62	
6571 · Nolan, Emily	587.94	
6572 · Fulcher, Carmella	1,033.41	
6573 · Strader, Lynsey	1,475.77	
6574 · Strader, Ben	540.89	
6599 · Washington, Carmen	1,106.36	
6600 · Uharriet, Shauna	1,031.68	
6601 · Uharriet, Joe	1,226.34	
6592 · Workers Compensation	5,605.33	
6595 · Employee Benefit-Other	6,216.84	
6598 · Employee Dental	1,418.87	
6680 · Recruiting & Retaining	1,753.23	
6681 · Staff Meetings	301.23	
6682 · Staff Gifts / Incentives	166.99	
6683 · Advertising	1,460.68	
6684 · Staff Training	3,306.56	
6685 · TFA Conference	517.58	
6690QO · Quest Office	1,500.00	
6692 · The Quest	42,000.00	
6700 · Client Direct Expenses	657.33	
6701 · Clothing		390.00
6711 · Quest Building	293.95	
6724 · Interior Repair	5,206.76	
6790 · Quest Quickbooks Account	19,036.90	
6882 · Digital Phones	848.84	
6884 · Cable & Internet	3,182.44	
6885 · Telephones	2,220.06	
6903 · Travel	655.05	
6941 · Electricity	3,165.30	
6942 · Gas	2,026.18	
6943 · Water	158.68	
6944 · Garbage	248.22	
6825 · Property Tax	4,034.10	
6826 · Installment Agreement	757.14	
6827 · ECS Fines and Penaltys	1,080.27	
7010 · Interest Income		2.39
8000 · Penalty	365.23	
TOTAL	<u>533,230.06</u>	<u>533,230.06</u>

11:34 AM
 08/13/09
 Accrual Basis

Youth Quest Inc.
Adjusting Journal Entries
 December 31, 2008

Date	Num	Memo	Account	Debit	Credit
12/31/2008	BS08.01	To expense items under \$500.00 To exoense items under \$500.00 To exoense items under \$500.00 To exoense items under \$500.00	6551 · Office Supplies 1411 · Computer Equipment 1418 · Group Home FF and E 1421 · Office Furniture	1,017.12	140.00 451.50 425.62
				1,017.12	1,017.12
12/31/2008	BS08.02	Rclassify deposit from LOC Reclassify deposit from LOC	2080 · Youth Quest Debts 2081 · Suntrust Overdraft Account	400.00	400.00
				400.00	400.00
12/31/2008	BS08.03	Reclassify non auto repairs Reclassify non auto repairs	6724 · Interior Repair 6052 · Repair / Maintenance	220.00	220.00
				220.00	220.00
12/31/2008	BS08.04	Adjust liabilities @ 12/31/2008 Adjust liabilities @ 12/31/2008 Adjust liabilities @ 12/31/2008 Adjust liabilities @ 12/31/2008 Adjust liabilities @ 12/31/2008 Adjust liabilities @ 12/31/2008	2101 · Federal Withholding 2170 · SUI 2100 · Payroll Liabilities 6827 · ECS Fines and Penaltys 6584 · SUI 6581 · Social Security	219.74 690.80	172.44 436.49 474.05
				1,082.98	1,082.98
12/31/2008	BS08.05	to adjust salary expense to adjust salary expense to adjust salary expense	6551 · Office Supplies 6882 · Digital Phones 6560 · Payroll Expenses	184.65	90.00 94.65
				184.65	184.65
12/31/2008	BS08.06	To adjust Advanta Bank Balance To adjust Advanta Bank Balance	6063 · Overdraft Transfer Fee 2082 · Advanta Bank	60.00	60.00
				60.00	60.00
12/31/2008	BS08.07	Reclassify to p/r taxes Reclassify to p/r taxes	8888 · Suspense Account 6581 · Social Security	162.69	162.69
				162.69	162.69
12/31/2008	BS08.08	write of undeposited funds write of undeposited funds write of undeposited funds	4010 · Others Income 4002 · Quest Residential Treatment 1499 · Undeposited Funds	252.86 13.00	265.86
				265.86	265.86
12/31/2008	BS08.09	To write off account baiaance To write off account balance To write off account balance To write off account balance	6684 · Staff Training 6685 · TFA Conference 6685 · TFA Conference 2080 · Youth Quest Debts	60.00 1,379.55	732.55 707.00
				1,439.55	1,439.55
12/31/2008	BS08.10	to reclassify to payroll taxes to reclassify to payroll taxes	6584 · SUI 6820 · Taxes	713.97	713.97
				713.97	713.97
12/31/2008	BS08.11	to adjust petty cash to baiaance per client to adjust petty cash to baiaance per client	6551 · Office Supplies 1107 · Petty Cash - Quest	295.97	295.97
				295.97	295.97
12/31/2008	BS08.12	To record depreciation for 2008 To record depreciation for 2008	6450 · Depreciation 1500 · Accumulated Depreciation	2,571.29	2,571.29
				2,571.29	2,571.29
12/31/2008	BS08.13	adjust note balance adjust note balance	2081 · Suntrust Overdraft Account 6403 · Interest Charged	0.46	0.46
				0.46	0.46
TOTAL				8,414.54	8,414.54

**YOUTH QUEST, INC. [29296]
Depreciation Expense**

Sorted: General - category

Federal

01/01/2008 - 12/31/2008

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus/ (Cur. Yr. Only)	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
Computer & Software												
7		LAPTOP	1/30/2002	M / HY	5.0000	1,267.00	100.0000	0.00	0.00	1,267.00	0.00	1,267.00
12		QUEST COMPUTER	11/19/2002	M / HY	5.0000	903.00	100.0000	0.00	0.00	903.00	0.00	903.00
16		DELL	8/22/2003	M / HY	5.0000	1,869.34	100.0000	0.00	0.00	1,815.40	53.94	1,869.34
21		PRINTER	1/8/2004	M / HY	5.0000	270.00	100.0000	0.00	0.00	237.34	21.77	259.11
28		DELL	2/6/2005	M / HY	5.0000	1,234.78	100.0000	0.00	0.00	879.23	142.22	1,021.45
Subtotal: Computer & Software						5,544.12		0.00	0.00	5,101.97	217.93	5,319.90
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Computer & Software						5,544.12		0.00	0.00	5,101.97	217.93	5,319.90
Furniture & Fixtures												
3		MATTRESS	6/26/2000	M / HY	7.0000	787.00	100.0000	0.00	0.00	787.00	0.00	787.00
6		FURNITURES	7/1/2001	M / HY	7.0000	2,485.00	100.0000	0.00	0.00	2,374.11	110.89	2,485.00
8		TV VCR	4/1/2002	M / HY	7.0000	383.00	100.0000	0.00	0.00	347.11	23.93	371.04
13		QUEST CHAIR	12/1/2002	M / HY	7.0000	183.00	100.0000	0.00	0.00	165.85	11.43	177.28
17		CHAIRS 03	3/31/2003	M / HY	7.0000	381.00	100.0000	0.00	0.00	321.49	23.80	345.29
23		OFFICE FURNITURE	9/30/2004	M / HY	7.0000	144.00	100.0000	0.00	0.00	121.51	6.43	127.94
24		BIZ CHAIRS	10/18/2004	M / HY	7.0000	449.00	100.0000	0.00	0.00	378.87	20.04	398.91
26		FILE CABINET	12/10/2004	M / HY	7.0000	306.00	100.0000	0.00	0.00	258.21	13.65	271.86
30		COUCH & LOVESEAT	5/17/2005	M / HY	7.0000	125.00	100.0000	0.00	0.00	70.34	15.62	85.96
Subtotal: Furniture & Fixtures						5,243.00		0.00	0.00	4,824.49	225.79	5,050.28
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Furniture & Fixtures						5,243.00		0.00	0.00	4,824.49	225.79	5,050.28
Machinery & Equipment												
5		DICTATION MACHINE	9/28/2000	M / HY	7.0000	244.00	100.0000	0.00	0.00	244.00	0.00	244.00
14		REFRIGERATOR	12/11/2002	M / HY	7.0000	432.00	100.0000	0.00	0.00	391.52	26.99	418.51
18		CHAIN SAW	3/27/2003	M / HY	7.0000	247.00	100.0000	0.00	0.00	208.42	15.43	223.85
19		TRAILER	11/24/2003	M / HY	7.0000	825.00	100.0000	0.00	0.00	732.96	36.82	769.78
22		OFFICE MINI REFRIGERATOR	8/11/2004	M / HY	7.0000	78.00	100.0000	0.00	0.00	76.37	0.47	76.84
25		FAX MACHINE	11/9/2004	M / HY	7.0000	174.00	100.0000	0.00	0.00	146.83	7.76	154.59
Subtotal: Machinery & Equipment						2,000.00		0.00	0.00	1,800.10	87.47	1,887.57
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Machinery & Equipment						2,000.00		0.00	0.00	1,800.10	87.47	1,887.57
Vehicles												
32		2001 HONDA ODYSSEY	1/14/2008	M / HY	5.0000	10,200.00	100.0000	0.00	0.00	0.00	2,040.00	2,040.00
Subtotal: Vehicles						10,200.00		0.00	0.00	0.00	2,040.00	2,040.00
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Vehicles						10,200.00		0.00	0.00	0.00	2,040.00	2,040.00

56-2051437
01/01/2008 - 12/31/2008

YOUTH QUEST, INC. [29296]
Depreciation Expense

8/12/2009
2:09:33PM

Sorted: General - category

Federal
01/01/2008 - 12/31/2008

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus. / Inv. %	Sec. 179/ Bonus/ (Cur. Yr. Only)	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
Subtotal:						22,987.12		0.00	0.00	11,726.56	2,571.19	14,297.75
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Grand Totals:						22,987.12		0.00	0.00	11,726.56	2,571.19	14,297.75