

CROSSROADS FUND, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE TOTALS FOR 2009

CROSSROADS FUND, INC

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Certified Public Accountants

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Board of Directors
Crossroads Fund, Inc.

Independent Auditor's Report

We have audited the accompanying statements of financial position of Crossroads Fund, Inc. at June 30, 2010, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crossroads Fund, Inc. at June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

September 3, 2010


Kevin Park & Associates, Ltd.

CROSSROADS FUND, INC

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR JUNE 30, 2009

	2010				2009
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
	General	Fixed Assets	Total	Total	Comparative Totals
ASSETS					
Current assets:					
Cash	458,265	458,265	376,655	14,265 (Note 6)	\$ 916,552
Investments	4,265	4,265	25,869		33,073
Receivables	22,200	22,200	6,200		28,294
Prepaid Expenses	4,022	4,022			6,435
Deposit	-	-	-	-	-
<u>Total current assets</u>	488,752	488,752	408,724	14,265	984,354
Office equipment, net of accumulated depreciation of \$65,275 and \$61,219 in 2010 and 2009 respectively	-	4,742	4,742		6,110
Long Term Investment	-	-	-	937,936 (Note 6)	776,163
<u>Total assets</u>	488,752	4,742	493,494	952,201	\$1,766,627

LIABILITIES AND NET ASSETS

Current liabilities:					
Accounts payable and accrued liabilities	-	-	-	-	\$ 2,023
Grants payable	-	-	-	-	-
<u>Total current liabilities</u>	-	-	-	-	2,023
Net assets:					
	488,752	4,742	493,494	408,724 (Note 9)	952,201 (Note 6)
					1,854,419 (Note 2)
<u>Total liabilities and net assets</u>	488,752	4,742	493,494	408,724	952,201
					1,854,419

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009

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	2010			Total	Temporarily Restricted	Permanently Restricted	Total	2009 Comparative Totals
	General	Unrestricted Fixed Assets	Total					
Support and revenue -								
Contributions								
Funding Exchange endowment share	51,368	-	51,368	-	-	-	\$ 51,368	\$ 53,027
Foundation grants	104,766	-	104,766	97,956	-	-	\$ 202,722	248,580
Individuals (Note 7)	220,067		220,067	54,764			274,831	259,520
Net assets released from restriction	193,124		193,124	(193,124)			-	-
Endowment distribution	25,442		25,442		(25,442)		(92,302)	(116,192)
Realized gain or loss					(92,302)		(92,302)	(63,776)
Unrealized gain or loss					217,670		217,670	43,967
Investment income	16,610		16,610	-	27,555		44,165	95,132
Special events								(26,845)
Proceeds	89,154		89,154				89,154	17,144
Expenses	(26,035)		(26,035)				(26,035)	510,554
Other	4,017		4,017				4,017	
Total support and revenue	678,514	-	678,514	(40,404)	127,481		765,591	
Expenses -								
Program services	521,131	2,473	523,604				523,604	660,908
Support services	150,589	1,583	152,172				152,172	176,605
Total expenses	671,720	4,056	675,776				675,776	837,513
Change in net assets	6,794	(4,056)	2,738	(40,404)	127,481		89,815	(326,959)
Net assets, beginning of year	501,734	(10,978)	490,756	449,128	824,720		1,764,604	2,091,563
Net assets, end of year	508,528	(15,034)	493,494	408,724	952,201		\$ 1,854,419	\$ 1,764,604

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009

	2010				2009 Comparative Totals
	Program Services	Admini- strative	Support Services Fund Raising	Total Expenses	
Grants	\$ 268,257			268,257	\$ 343,858
Wages	157,754	38,792	62,067	100,859	299,156
Payroll taxes	12,336	3,034	4,854	7,888	24,019
Employee benefits	12,637	3,107	4,972	8,079	23,106
Occupancy	15,593	3,834	6,135	9,969	24,929
Postage and printing	8,295	2,040	3,264	5,304	13,225
Publicity and program expenses	14,935				25,607
Office supplies	695	171	274	445	2,550
Equipment and maintenance	4,483	1,103	1,764	2,867	6,212
Travel and meetings	2,676	658	1,053	1,711	4,055
Professional fees	9,071	2,230	3,569	5,799	34,365
Dues and subscriptions	2,406				15,216
Telephone	2,108	518	829	1,347	3,834
Insurance	1,818	447	715	1,162	2,892
Depreciation	2,473	608	974	1,583	4,745
Staff recruiting and development	873	215	344	559	1,072
Computer software and maintenance	3,232	795	1,272	2,067	2,777
Other	3,962	974	1,559	2,533	5,895
Total	\$ 523,604	58,527	93,645	152,172	\$ 837,513

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE TOTALS FOR 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ 89,815	\$ (326,959)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,056	4,745
(Increase) decrease in program and other receivables	(105)	(21,997)
(Increase) decrease in prepaid expenses	2,413	(791)
(Decrease) increase in accounts payable and accrued expenses	(2,023)	(10,995)
(Increase) Decrease in deposit	-	2,687
Net cash provided (used) by operating activities	<u>94,156</u>	<u>(353,310)</u>
Cash flows from investing activities:		
(Increase) Decrease in investments	(158,834)	180,011
Purchase of fixed assets	<u>(2,689)</u>	<u>(1,090)</u>
Net cash provided by investing activities	<u>(161,523)</u>	<u>178,921</u>
Net increase (decrease) in cash	(67,367)	(174,389)
Cash at beginning of year	<u>916,552</u>	<u>1,090,941</u>
Cash at end of year	<u>\$ 849,185</u>	<u>\$ 916,552</u>

See independent auditor's report and notes to financial statements.

CROSSROADS FUND, INC

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

1 Summary of significant accounting policies:

The accompanying financial statements are presented in accordance with the statement of Accounting Standards No. 117 "Financial Statements of Not-For-Profit Organization".

Office equipment

These assets are carried at cost or at estimated value on date of donation. Depreciation is provided on a straight-line basis over the estimated useful live of the assets (five to eight years).

Revenue and expense recognition

Revenue and expenses are recorded on the accrual basis of accounting. All contributions are considered to be available for unrestricted use unless otherwise specifically restricted by donors. Contributions are recorded and recognized as revenue when notice of award is received. Restricted contributions are recorded as revenue in temporarily restricted net assets if limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of Crossroads Fund or in permanently restricted net assets if such contributions are non-expendable. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Crossroads Fund received donations of services from various volunteers. No amounts are reflected in the accounts for donated services, as no clearly measurable basis is available to measure such services.

Investments in marketable securities are carried at market value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, Accordingly, actual results could differ from those estimates.

2 **Net assets:**

Crossroads Fund classifies its net assets into three categories:

Unrestricted net assets include all of the unrestricted support and revenue of Crossroads Fund, all of the expenses of Crossroads Fund, and transfers from temporarily restricted net assets for reimbursement of expenditures that meet the restrictions of the donors.

Temporarily restricted net assets include all the restricted support and revenue of Crossroads Fund. Transfers are made from this fund to unrestricted net assets as expenditures are incurred which meet the restrictions of the donors.

Permanently restricted net assets include funds received from donors with the stipulation that Crossroads Fund permanently retain them in perpetuity and that only the income and/or use of the assets are available to Crossroads Fund.

3 **Income taxes:**

Crossroads Fund is exempt from federal taxes under section 501©(3) of the Internal Revenue Code.

4 **Lease Commitment:**

Effective September 5, 2008, Crossroads entered into a three-year lease extension through September 30, 2011. In addition, Crossroads Fund must pay montly, along with the monthly rental, their prorata share of the Estimated Property Tax Cost. In FY09 the prorata share totaled \$3,132. Future rental expenses are as follows:

10/1/2008 to 9/30/2009	\$ 20,879
10/1/2009 to 9/30/2010	\$ 21,477
10/1/2010 to 9/30/2011	\$ 22,093

5 **Investments:**

Investments are valued at market and consist of stocks, money market and savings accounts.

6 **Permanently restricted net assets:**

In December 1991, Crossroads received a \$10,000 donation earmarked for establishment of an endowment fund to help assure the perpetuity of Crossroads Fund programs.

In June 2007, Crossroads received a restricted endowment gift from Synapses foundation total amount of \$1,145,417 including cash of \$63,179 and equity and various types of investment valued at \$1,082,238 as of June 2007. In June 2010, Synapses Fund totaled \$942,201 including cash of \$4,265. See the supplemental schedule following the notes to financial statements for current fiscal year's activities of Synapses endowment fund.

7 **Retirement plan:**

Crossroads provides a SIMPLE IRA account for all vested employees. Employees become vested after one year of employment. Crossroads will contribute each year based on the board of directors' allocation decision on what percentage of salary to the SEP accounts. The same percentage is applied for each participating employee. In 2010, the percentage contribution was 3 percent.

8 **Temporarily restricted net assets**

Temporarily restricted net assets are available for the following:

Donor Advised and Partner Funds	\$ 376,655
Women's Justice fund	32,069
Total	<u>\$ 408,724</u>

Temporarily restricted net assets were released from restrictions as follow:

Restricted funds released	\$ 79,599
Donor Advised and Partner Grants	113,525
	<u>\$ 193,124</u>

9 **Comparative financial information:**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Crossroads Fund's financial statements for the year ended June 30, 2009 from which the summarized information was derived.

SUPPLEMENTAL SCHEDULE

CROSSROADS FUND, INC
SYNAPSES ENDOWMENT FUND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

ENDOWMENT BEGINNING VALUE AS OF JUNE 30, 2009	\$	814,720
DISTRIBUTION		(25,442)
REALIZED GAIN OR (LOSS)		(92,302)
DIVIDENDS AND INTEREST INCOME		34,069
INVESTMENT EXPENSES		(2,540)
ESTIMATED INTEREST INCOME		(3,976)
		(90,189)
VALUE BEFORE UNREALIZED GAIN OR (LOSS)		724,531
UNREALIZED GAIN OR (LOSS)		217,670
ENDOWMENT MARKET VALUE AS OF JUNE 30, 2010	\$	942,201