

CROSSROADS FUND, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR 2008

CROSSROADS FUND, INC

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Board of Directors
Crossroads Fund, Inc.

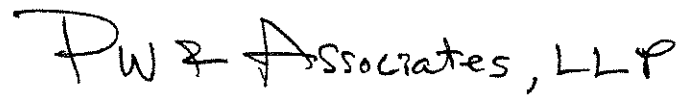
Independent Auditor's Report

We have audited the accompanying statements of financial position of Crossroads Fund, Inc. at June 30, 2009, 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, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

September 2, 2009


PW & Associates, LLP

CROSSROADS FUND, INC
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR JUNE 30, 2008

	2009				2008 Comparative Totals	
	Unrestricted		Temporarily Restricted	Permanently Restricted		Total
	General	Fixed Assets				
ASSETS						
Current assets:						
Cash	450,768		417,227	48,557 (Note 6)	916,552	
Investments	7,372		25,701		33,073	
Receivables	22,094		6,200		28,294	
Prepaid Expenses	6,435				6,435	
Deposit	-				-	
Total current assets	486,669		449,128	48,557	984,354	
Office equipment, net of accumulated depreciation of \$61,219 and \$56,274 in 2009 and 2008 respectively		6,110			6,110	
Long Term Investment				776,163 (Note 6)	776,163	
Total assets	486,669	6,110	449,128	824,720	1,766,627	
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable and accrued liabilities	2,023				2,023	
Grants payable	-				-	
Total current liabilities	2,023				2,023	
Net assets:						
Total liabilities and net assets	484,646	6,110	490,756 (Note 9)	824,720 (Note 6)	1,764,604 (Note 2)	
	486,669	6,110	492,779	449,128	824,720	
					1,766,627	

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, 2009 WITH COMPARATIVE TOTALS FOR 2008

	2009				Total	2008 Comparative Totals
	General	Unrestricted Fixed Assets	Temporarily Restricted	Permanently Restricted		
Support and revenue -						
Contributions						
Funding Exchange endowment share	53,024		-	-	\$ 53,024	\$ 51,288
Foundation grants	97,400		151,180		\$ 248,580	175,936
Individuals (Note 7)	202,202		57,318		259,520	1,120,589
Net assets released from restriction	282,651		(282,651)		-	-
Endowment distribution	43,250			(43,250)	-	
Realized gain or loss				(116,192)	(116,192)	(31,763)
Unrealized gain or loss				(63,776)	(63,776)	(54,776)
Investment income	28,545			15,422	43,967	52,458
Special events						
Proceeds	95,132				95,132	98,248
Expenses	(26,845)				(26,845)	(29,650)
Other	17,144				17,144	11,487
Total support and revenue	792,503	-	(74,153)	(207,796)	510,554	1,393,818
Expenses -						
Program services	658,013	2,894			660,908	701,576
Support services	174,755	1,851			176,605	187,317
Total expenses	832,768	4,745			837,513	888,893
Change in net assets	(40,265)	(4,745)	(74,153)	(207,796)	(326,959)	504,925
Net assets, beginning of year	541,999	(6,233)	523,281	1,032,516	2,091,563	1,586,638
Net assets, end of year	501,734	(10,978)	449,128	824,720	\$1,764,604	\$ 2,091,563

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

	2009				2008 Comparative Totals
	Program Services	Admini- strative	Fund Raising	Total Expenses	
Grants	\$ 343,858			343,858	\$ 404,211
Wages	182,486	44,873	71,797	116,670	261,263
Payroll taxes	14,651	3,603	5,765	9,368	20,719
Employee benefits	14,095	3,466	5,545	9,011	29,014
Occupancy	15,207	3,739	5,983	9,722	21,668
Postage and printing	8,067	1,984	3,174	5,158	21,404
Publicity and program expenses	25,607			25,607	15,007
Office supplies	1,556	382	612	994	3,340
Equipment and maintenance	3,789	932	1,491	2,423	5,708
Travel and meetings	2,474	608	973	1,581	5,576
Professional fees	20,962	5,155	8,248	13,403	51,324
Dues and subscriptions	15,216			13,403	12,802
Telephone	2,339	575	920	1,495	4,049
Insurance	1,764	434	694	1,128	2,668
Depreciation	2,894	712	1,139	1,851	5,771
Staff recruiting and development	654	161	257	418	776
Computer software and maintenance	1,693	417	667	1,084	3,792
Other	3,595	885	1,415	2,300	19,801
Total	\$ 660,908	67,926	108,679	176,605	\$ 888,893

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ (326,959)	\$ 504,925
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,745	5,771
(Increase) decrease in program and other receivables	(21,997)	10,544
(Increase) decrease in prepaid expenses	(791)	756
(Decrease) increase in accounts payable and accrued expenses	(10,995)	(3,341)
(Increase) Decrease in deposit	2,687	(741)
Decrease in grants payable	-	-
Net cash provided (used) by operating activities	<u>(353,310)</u>	<u>517,914</u>
Cash flows from investing activities:		
Decrease in investments	180,011	137,943
Purchase of fixed assets	<u>(1,090)</u>	<u>(4,675)</u>
Net cash provided by investing activities	<u>178,921</u>	<u>133,268</u>
Net increase (decrease) in cash	(174,389)	651,182
Cash at beginning of year	<u>1,090,941</u>	<u>439,759</u>
Cash at end of year	<u>\$ 916,552</u>	<u>\$ 1,090,941</u>

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

CROSSROADS FUND, INC

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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 income 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 2009, Synapses Fund totaled \$814,720 including cash of \$38,557. See the supplemental schedule following the notes to financial statements for current fiscal year's activities of Synapses endowment fund.

7 **Individual Contribution**

In 2008, Crossroads Fund received an unrestricted bequest of \$402,267 from the estate of Fred Eggan.

8 **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 2009, the percentage contribution was 3 percent.

9 **Temporarily restricted net assets**

Temporarily restricted net assets are available for the following:

Donor advised grants	\$ 417,227
Women's Justice fund	31,901
Total	<u>\$ 449,128</u>

Temporarily restricted net assets were released from restrictions as follow:

Restricted funds released	\$ 118,012
Donor advised grant made	164,639
	<u>\$ 282,651</u>

10 **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, 2008 from which the summarized information was derived.

SUPPLEMENTAL SCHEDULE

CROSSROADS FUND, INC
SYNAPSES ENDOWMENT FUND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

ENDOWMENT BEGINNING VALUE AS OF JUNE 30, 2008	\$	1,022,516
DISTRIBUTION		(43,250)
REALIZED GAIN OR (LOSS)		(116,192)
DIVIDENDS AND INTEREST INCOME		27,758
INVESTMENT EXPENSES		(11,397)
ESTIMATED INTEREST INCOME		(939)
		878,496
VALUE BEFORE UNREALIZED GAIN OR (LOSS)		878,496
UNREALIZED GAIN OR (LOSS)		(63,776)
		814,720
ENDOWMENT MARKET VALUE AS OF JUNE 30, 2009	\$	814,720