

CROSSROADS FUND, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR 2012

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, 2013, 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, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

December 27, 2013

Kevin Park & Associates, Ltd.

CROSSROADS FUND, INC

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR JUNE 30, 2012

	2013						2012 Comparative Totals
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total		
	General	Fixed Assets					
ASSETS							
Current assets:							
Cash	304,996		304,996	368,366	17,384 (Note 6)	690,746	\$ 745,744
Investments	5,884		5,884	26,223		32,107	31,638
Receivables	28,201		28,201	6,200	14,000 (Note 6)	48,401	39,754
Prepaid Expenses	7,333		7,333			7,333	5,257
Deposit	-		-			-	-
Total current assets	346,414		346,414	400,789	31,384	778,587	822,393
Noncurrent assets							
Receivables					47,279 (Note 6)	47,279	-
Office equipment, net of accumulated depreciation of \$76,234 and \$75,707 in 2013 and 2012 respectively		517	517			517	1,045
Long Term Investment	-		-		1,101,459 (Note 6)	1,101,459	1,051,094
Total assets	346,414	517	346,931	400,789	1,180,122	1,927,842	\$ 1,874,532
LIABILITIES AND NET ASSTS							
Current liabilities:							
Accounts payable and accrued liabilities	10,203		10,203			10,203	\$ 6,722
Grants payable	-		-			-	-
Total current liabilities	10,203		10,203			10,203	6,722
Net assets:	336,211	517	336,728	400,789 (Note 8)	1,180,122 (Note 6)	1,917,639 (Note 2)	1,867,810
Total liabilities and net assets	346,414	517	346,931	400,789	1,180,122	1,927,842	\$ 1,874,532

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, 2013 WITH COMPARATIVE TOTALS FOR 2012

	2013						2012 Comparative Totals
	Unrestricted			Temporarily Restricted	Permanently Restricted	Total	
	General	Fixed Assets	Total				
Support and revenue -							
Contributions							
Funding Exchange endowment share	46,820		46,820			\$ 46,820	\$ 45,120
Foundation grants	84,075	-	84,075	188,650	-	272,725	210,446
Individuals	234,486		234,486	63,701	62,779	360,966	342,692
Net assets released							
from restriction	255,607		255,607	(255,607)		-	-
Endowment distribution	62,968		62,968		(62,968)	-	
Realized gain or loss					33,964	33,964	18,555
Unrealized gain or loss					47,608	47,608	(22,986)
Investment income	3,480		3,480	-	32,136	35,616	34,352
Special events							
Proceeds	97,615		97,615			97,615	108,068
Expenses	(30,531)		(30,531)			(30,531)	(37,921)
Other	6,357	-	6,357	-	-	6,357	6,944
Total support and revenue	760,877	-	760,877	(3,256)	113,519	871,140	705,270
Expenses -							
Program services	593,075	285	593,359			593,359	627,514
Support services	227,710	242	227,952			227,952	221,484
Total expenses	820,784	527	821,311			821,311	848,998
Change in net assets	(59,907)	(527)	(60,434)	(3,256)	113,519	49,829	(143,728)
Net assets, beginning of year	422,628	(25,466)	397,162	404,045	1,066,603	1,867,810	2,011,538
Net assets, end of year	362,721	(25,993)	336,728	400,789	1,180,122	\$1,917,639	\$ 1,867,810

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	2013				Total Expenses	2012 Comparative Totals
	Program Services	Admini- strative	Fund Raising	Total		
Grants	\$ 277,585				277,585	\$ 303,846
Program expenses	49,395				49,395	53,447
Wages	166,218	65,698	81,230	146,928	313,146	312,750
Payroll taxes	15,282	5,660	7,358	13,018	28,300	28,313
Employee benefits	16,099	5,963	7,751	13,714	29,813	29,101
Occupancy	15,004	5,557	7,224	12,781	27,785	27,911
Postage and printing	7,453	2,761	3,588	6,349	13,802	16,733
Publicity	1,360				1,360	1,080
Office supplies	1,326	491	638	1,129	2,455	2,472
Equipment and maintenance	5,864	2,172	2,824	4,996	10,860	9,806
Travel and meetings	3,722	1,379	1,792	3,171	6,893	7,642
Professional fees	16,613	6,153	7,999	14,152	30,765	19,858
Dues and subscriptions	3,689				3,689	9,140
Telephone	2,165	802	1,043	1,845	4,010	3,064
Insurance	1,768	655	851	1,506	3,274	3,120
Depreciation	285	105	137	242	527	4,065
Staff recruiting and development	2,314	857	1,114	1,971	4,285	795
Computer software and maintenance	2,475	917	1,192	2,109	4,584	7,021
Other	4,742	1,757	2,284	4,041	8,783	8,834
Total	\$ 593,359	100,927	127,025	227,952	821,311	\$ 848,998

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 49,829	\$ (143,728)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	527	4,065
(Increase) decrease in program and other receivables	(55,926)	14,984
(Increase) decrease in prepaid expenses	(2,076)	(2,164)
(Decrease) increase in accounts payable and accrued expenses	3,481	(1,011)
(Increase) Decrease in deposit	-	-
	<u>(4,165)</u>	<u>(127,854)</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities:		
(Increase) Decrease in investments	(50,834)	36,357
Purchase of fixed assets	-	(2,716)
	<u>(50,834)</u>	<u>33,641</u>
Net cash provided by investing activities		
Net increase (decrease) in cash	(54,999)	(94,213)
Cash at beginning of year	<u>745,744</u>	<u>839,957</u>
Cash at end of year	<u>\$ 690,745</u>	<u>\$ 745,744</u>

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

CROSSROADS FUND, INC

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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 12, 2012, Crossroads entered optional a three year lease with 1.5% increase in base rent. The future rental expense is following:

10/1/2013 to 9/30/2014	\$ 23,054
10/1/2014 to 9/30/2015	\$ 23,386

5 Investments:

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

6 Permanently restricted net assets:

Cash in permanently restricted net assets consists of a \$10,000 donation received in 1991 for the establishment of an endowment fund, a \$1,500 donation received in 2013 towards an endowment fund and \$5,884 in cash held in the Synapses endowment fund(see below).

Also in 2013, Crossroads received \$70,000 in pledges towards an endowment fund, \$14,000 of which are included in Current Receivables to be paid over the next year and \$47,279, net present value(5% discount rate) of \$56,000, payable over the course of 5 years.

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 2013, Synapses Fund totaled \$1,107,343 including cash of \$5,884. 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 2013, 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	\$ 368,366
Women's Justice Fund	32,423
Total	<u>\$ 400,789</u>

Temporarily restricted net assets were released from restrictions as follow:

Foundation Contributions: Released from Restriction	\$ 118,417
Individual Contributions: Released from Restriction	137,190
	<u>\$ 255,607</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, 2012 from which the summarized information was derived.

10 Bequest

Crossroads Fund has been notified that they are named as a beneficiary of the estate of Henry T. Chandler Jr. who passed away on September 13, 2012. The gift will appear on their financial statements when a final valuation is received from the executor.

SUPPLEMENTAL SCHEDULE

CROSSROADS FUND, INC
SYNAPSES ENDOWMENT FUND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

ENDOWMENT BEGINNING VALUE AS OF JUNE 30, 2012	\$	1,056,600
DISTRIBUTION		(62,968)
REALIZED GAIN OR (LOSS)		33,964
DIVIDENDS AND INTEREST INCOME		34,854
INVESTMENT EXPENSES		(2,715)
ESTIMATED INTEREST INCOME		-
		3,135
VALUE BEFORE UNREALIZED GAIN OR (LOSS)		1,059,735
UNREALIZED GAIN OR (LOSS)		47,608
ENDOWMENT MARKET VALUE AS OF JUNE 30, 2013	\$	1,107,343