

**CROSSROADS FUND, INC.**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED JUNE 30, 2011  
WITH COMPARATIVE TOTALS FOR 2010**

## CROSSROADS FUND, INC

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# KEVIN PARK & ASSOCIATES, LTD

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, 2011, 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, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

September 23, 2011



Kevin Park & Associates, Ltd.

CROSSROADS FUND, INC

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011 WITH COMPARATIVE TOTALS FOR JUNE 30, 2010

	2011				2010 Comparative Totals	
	Unrestricted		Temporarily Restricted	Permanently Restricted		Total
	General	Fixed Assets				
<b>ASSETS</b>						
Current assets:						
Cash	453,430		367,793	18,735 (Note 6)	\$ 849,185	
Investments	8,734		26,037		30,134	
Receivables	48,538		6,200		28,400	
Prepaid Expenses	3,093				4,022	
Deposit	-				-	
Total current assets	513,795		400,030	18,735	911,741	
Office equipment, net of accumulated depreciation of \$71,434 and \$65,275 in 2011 and 2010 respectively		2,394			4,742	
Long Term Investment				1,084,318 (Note 6)	937,936	
Total assets	513,795	2,394	400,030	1,103,053	\$1,854,419	
<b>LIABILITIES AND NET ASSETS</b>						
Current liabilities:						
Accounts payable and accrued liabilities	7,733				\$ -	
Grants payable	-				-	
Total current liabilities	7,733				-	
Net assets:	506,062	2,394	400,030 (Note 8)	1,103,053 (Note 6)	1,854,419 (Note 2)	
Total liabilities and net assets	513,795	2,394	400,030	1,103,053	\$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, 2011 WITH COMPARATIVE TOTALS FOR 2010

	2011					2010 Comparative Totals
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	
	General	Fixed Assets				
Support and revenue -						
Contributions						
Funding Exchange endowment share	47,812		-	-	\$ 47,812	\$ 51,368
Foundation grants	104,075	-	122,157	-	\$ 226,232	202,722
Individuals	292,367		25,191		317,558	274,831
Net assets released from restriction	156,042		(156,042)		-	-
Endowment distribution	42,541			(42,541)	-	
Realized gain or loss				10,228	10,228	(92,302)
Unrealized gain or loss				151,577	151,577	217,670
Investment income	7,805		-	31,588	39,393	44,165
Special events						
Proceeds	90,927				90,927	89,154
Expenses	(33,593)				(33,593)	(26,035)
Other	2,184				2,184	4,017
Total support and revenue	710,160	-	(8,694)	150,852	852,318	765,591
Expenses -						
Program services	489,355	3,375			492,729	523,604
Support services	199,478	2,992			202,470	152,172
Total expenses	688,832	6,367			695,199	675,776
Change in net assets	21,328	(6,367)	(8,694)	150,852	157,119	89,815
Net assets, beginning of year	508,528	(15,034)	408,724	952,201	1,854,419	1,764,604
Net assets, end of year	529,856	(21,401)	400,030	1,103,053	\$2,011,538	\$ 1,854,419

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS FOR 2010

	2011				2010 Comparative Totals
	Program Services	Admini- strative	Support Services		
			Fund Raising	Total Expenses	
Grants	\$ 242,694				\$ 242,694
Wages	145,788	63,267	66,017	129,284	275,072
Payroll taxes	11,458	4,973	5,189	10,162	21,620
Employee benefits	11,704	5,079	5,300	10,379	22,083
Occupancy	14,409	6,253	6,524	12,777	27,186
Postage and printing	6,019	2,612	2,725	5,337	11,356
Publicity and program expenses	9,065				9,065
Office supplies	1,641	713	743	1,456	3,096
Equipment and maintenance	4,451	1,932	2,015	3,947	8,398
Travel and meetings	3,249	1,410	1,471	2,881	6,130
Professional fees	13,461	5,842	6,095	11,937	25,398
Dues and subscriptions	12,651				12,651
Telephone	1,867	811	845	1,656	3,523
Insurance	1,600	693	724	1,419	3,019
Depreciation	3,375	1,464	1,528	2,992	6,367
Staff recruiting and development	663	288	300	588	1,251
Computer software and maintenance	3,579	1,553	1,621	3,174	6,753
Other	5,055	2,193	2,289	4,482	9,537
Total	\$ 492,729	99,085	103,385	202,470	\$ 675,776

See independent auditor's report and notes to financial statements

**CROSSROADS FUND, INC**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS FOR 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 157,119	\$ 89,815
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,367	4,056
(Increase) decrease in program and other receivables	(26,338)	(105)
(Increase) decrease in prepaid expenses	928	2,413
(Decrease) increase in accounts payable and accrued expenses	7,734	(2,023)
(Increase) Decrease in deposit	-	-
Net cash provided (used) by operating activities	<u>145,810</u>	<u>94,156</u>
Cash flows from investing activities:		
(Increase) Decrease in investments	(151,020)	(158,834)
Purchase of fixed assets	(4,018)	(2,689)
Net cash provided by investing activities	<u>(155,038)</u>	<u>(161,523)</u>
Net increase (decrease) in cash	(9,228)	(67,367)
Cash at beginning of year	<u>849,185</u>	<u>916,552</u>
Cash at end of year	<u>\$ 839,957</u>	<u>\$ 849,185</u>

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

# CROSSROADS FUND, INC

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### 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 30, 2011, Crossroads entered optional an additional year lease with 3% increase in base rent. The future rental expense is following:

10/1/2011 to 9/30/2012	\$ 22,728
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**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 2011, Synapses Fund totaled \$1,093,052 including cash of \$8,734. 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 2011, 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	\$ 367,793
Women's Justice fund	<u>32,237</u>
Total	<u>\$ 400,030</u>

Temporarily restricted net assets were released from restrictions as follow:

Restricted funds released	\$ 34,052
Donor Advised and Partner Grants	<u>121,990</u>
	<u>\$ 156,042</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, 2010 from which the summarized information was derived.

**SUPPLEMENTAL SCHEDULE**

**CROSSROADS FUND, INC**  
**SYNAPSES ENDOWMENT FUND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

ENDOWMENT BEGINNING VALUE AS OF JUNE 30, 2010	\$	942,201
DISTRIBUTION		(42,540)
REALIZED GAIN OR (LOSS)		10,228
DIVIDENDS AND INTEREST INCOME		34,159
INVESTMENT EXPENSES		(2,573)
ESTIMATED INTEREST INCOME		-
		(726)
VALUE BEFORE UNREALIZED GAIN OR (LOSS)		941,475
UNREALIZED GAIN OR (LOSS)		151,577
ENDOWMENT MARKET VALUE AS OF JUNE 30, 2011	\$	1,093,052