

CROSSROADS FUND, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE TOTALS FOR 2011

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, 2012, 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, 2012, 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, 2012


Kevin Park & Associates, Ltd.

CROSSROADS FUND, INC
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012 WITH COMPARATIVE TOTALS FOR JUNE 30, 2011

	2012				2011 Comparative Totals	
	Unrestricted		Temporarily Restricted	Permanently Restricted		Total
	General	Fixed Assets				
		ASSETS				
Current assets:						
Cash	358,523	358,523	371,714	15,507 (Note 6)	745,744	
Investments	5,506	5,506	26,132		31,638	
Receivables	33,554	33,554	6,200		39,754	
Prepaid Expenses	5,257	5,257			5,257	
Deposit	-	-			-	
Total current assets	402,840	402,840	404,046	15,507	822,393	
Office equipment, net of accumulated depreciation of \$75,707 and \$71,434 in 2012 and 2011 respectively	-	-	1,045		1,045	
Long Term Investment	-	-		1,051,094 (Note 6)	1,051,094	
Total assets	402,840	403,885	404,046	1,066,601	1,874,532	
		LIABILITIES AND NET ASSETS				
Current liabilities:						
Accounts payable and accrued liabilities	6,722	6,722			6,722	
Grants payable	-	-			-	
Total current liabilities	6,722	6,722			6,722	
Net assets:	396,118	1,045	397,163	404,046 (Note 8) 1,066,601 (Note 6) 1,867,810 (Note 2)	2,011,539	
Total liabilities and net assets	402,840	1,045	403,885	404,046 1,066,601	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, 2012 WITH COMPARATIVE TOTALS FOR 2011

	2012				2011 Comparative Totals
	General	Unrestricted Fixed Assets	Total	Total	
Support and revenue -					
Contributions					
Funding Exchange endowment share	45,120		45,120	\$ 45,120	\$ 47,812
Foundation grants	88,750	-	88,750	\$ 210,446	226,232
Individuals	224,829		224,829	342,692	317,558
Net assets released					
from restriction	235,544		235,544	-	-
Endowment distribution	63,756		63,756	(63,756)	-
Realized gain or loss				18,555	10,228
Unrealized gain or loss				(22,986)	151,577
Investment income	2,615		2,615	31,737	39,393
Special events					
Proceeds	108,068		108,068	108,068	90,927
Expenses	(37,921)		(37,921)	(37,921)	(33,593)
Other	6,944		6,944	6,944	2,184
Total support and revenue	737,705	-	737,705	705,270	852,319
Expenses -					
Program services	625,319	2,195	627,514	627,514	492,729
Support services	219,614	1,870	221,484	221,484	202,470
Total expenses	844,933	4,065	848,998	848,998	695,199
Change in net assets	(107,228)	(4,065)	(111,293)	(143,728)	157,120
Net assets, beginning of year	529,856	(21,401)	508,455	2,011,538	1,854,419
Net assets, end of year	422,628	(25,466)	397,162	\$1,867,810	\$ 2,011,538

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE TOTALS FOR 2011

	2012				2011
	Program Services	Admini- strative	Support Services		Comparative Totals
			Fund Raising	Total	
Grants	\$ 303,846				\$ 242,694
Program expenses	53,447				8,240
Wages	168,885	62,550	81,315	143,865	275,072
Payroll taxes	15,289	5,663	7,361	13,024	21,620
Employee benefits	15,715	5,820	7,566	13,386	22,083
Occupancy	15,072	5,582	7,257	12,839	27,186
Postage and printing	9,035	3,347	4,351	7,698	11,356
Publicity	1,080				825
Office supplies	1,335	494	643	1,137	3,096
Equipment and maintenance	5,295	1,961	2,550	4,510	8,398
Travel and meetings	4,127	1,528	1,987	3,515	6,130
Professional fees	10,723	3,972	5,163	9,135	25,398
Dues and subscriptions	9,140				12,651
Telephone	1,654	613	797	1,410	3,523
Insurance	1,685	624	811	1,435	3,019
Depreciation	2,195	813	1,057	1,870	6,367
Staff recruiting and development	429	159	207	366	1,251
Computer software and maintenance	3,792	1,404	1,825	3,229	6,753
Other	4,770	1,767	2,297	4,064	9,537
Total	\$ 627,514	96,297	125,187	221,484	\$ 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, 2012 WITH COMPARATIVE TOTALS FOR 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Change in net assets	\$ (143,728)	\$ 157,119
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,065	6,367
(Increase) decrease in program and other receivables	14,984	(26,338)
(Increase) decrease in prepaid expenses	(2,164)	928
(Decrease) increase in accounts payable and accrued expenses	(1,011)	7,734
(Increase) Decrease in deposit	-	-
	<u>(127,854)</u>	<u>145,810</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities:		
(Increase) Decrease in investments	36,357	(151,020)
Purchase of fixed assets	(2,716)	(4,018)
	<u>33,641</u>	<u>(155,038)</u>
Net cash provided by investing activities		
Net increase (decrease) in cash	(94,213)	(9,228)
Cash at beginning of year	<u>839,957</u>	<u>849,185</u>
Cash at end of year	<u>\$ 745,744</u>	<u>\$ 839,957</u>

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

CROSSROADS FUND, INC

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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:

10/1/2012 to 9/30/2013	\$ 22,728
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:

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 2012, Synapses Fund totaled \$1,056,600 including cash of \$5,506. 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 2012, 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	\$ 371,715
Women's Justice Fund	32,332
Total	<u>\$ 404,046</u>

Temporarily restricted net assets were released from restrictions as follow:

Foundation Contributions: Released from Restriction	\$ 111,448
Individual Contributions: Released from Restriction	124,096
	<u>\$ 235,544</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, 2011 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, 2011. 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, 2012

ENDOWMENT BEGINNING VALUE AS OF JUNE 30, 2011	\$	1,093,052
DISTRIBUTION		(63,756)
REALIZED GAIN OR (LOSS)		18,555
DIVIDENDS AND INTEREST INCOME		34,391
INVESTMENT EXPENSES		(2,656)
ESTIMATED INTEREST INCOME		-
		(13,466)
VALUE BEFORE UNREALIZED GAIN OR (LOSS)		1,079,586
UNREALIZED GAIN OR (LOSS)		(22,986)
ENDOWMENT MARKET VALUE AS OF JUNE 30, 2012	\$	1,056,600