

**CROSSROADS FUND, INC.**

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

**YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE TOTALS FOR 2007**

**CROSSROADS FUND, INC**

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Crossroads Fund, Inc.

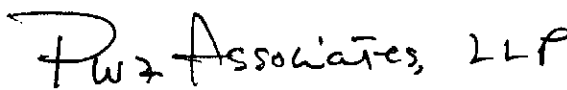
## Independent Auditor's Report

We have audited the accompanying statements of financial position of Crossroads Fund, Inc. at June 30, 2008, 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, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

September 19, 2008

  
PW & Associates, LLP

**CROSSROADS FUND, INC**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2008 WITH COMPARATIVE TOTALS FOR JUNE 30, 2007**

	2008						2007 Comparative Totals
	Unrestricted			Temporarily Restricted	Permanently Restricted	Total	
	General	Fixed Assets	Total				
<b>ASSETS</b>							
Current assets:							
Cash	530,110		530,110	491,641	69,190 (Note 6)	1,090,941	\$ 439,762
Investments	481		481	25,440		25,921	44,952
Receivables	97		97	6,200		6,297	16,838
Prepaid Expenses	5,644		5,644			5,644	6,400
Deposit	2,687		2,687			2,687	1,946
Total current assets	539,019		539,019	523,281	69,190	1,131,490	509,898
Office equipment, net of accumulated depreciation of \$56,274 and \$50,703 in 2008 and 2007 respectively		9,765	9,765			9,765	10,861
Long Term Investment	-		-		963,326 (Note 6)	963,326	1,082,238
Total assets	539,019	9,765	548,784	523,281	1,032,516	2,104,581	\$1,602,997
<b>LIABILITIES AND NET ASSTS</b>							
Current liabilities:							
Accounts payable and accrued liabilities	13,018		13,018			13,018	\$ 16,359
Grants payable	-		-			-	-
Total current liabilities	13,018		13,018			13,018	16,359
Net assets:	526,001	9,765	535,766	523,281 (Note 9)	1,032,516 (Note 6)	2,091,563 (Note 2)	1,586,638
Total liabilities and net assets	539,019	9,765	548,784	523,281	1,032,516	2,104,581	\$1,602,997

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, 2008 WITH COMPARATIVE TOTALS FOR 2007

	2008					2007 Comparative Totals
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	
General	Fixed Assets	Total				
Support and revenue -						
Contributions						
Funding Exchange endowment share	51,288		51,288	-	-	\$ 51,288
Foundation grants	91,498	-	91,498	84,438		\$ 175,936
Individuals (Note 7)	658,957		658,957	461,632		1,120,589
Net assets released from restriction	285,002		285,002	(285,002)		-
Endowment distribution	57,222		57,222		(57,222)	-
Realized gain or loss					(31,763)	(31,763)
Unrealized gain or loss					(54,776)	(54,776)
Investment income	31,598		31,598	-	20,860	52,458
Special events						
Proceeds	98,248		98,248			98,248
Expenses	(29,650)		(29,650)			(29,650)
Other	11,487	-	11,487	(12,565)	12,565	11,487
Total support and revenue	1,255,651	-	1,255,651	248,503	(110,336)	1,393,818
Expenses -						
Program services	698,171	3,405	701,576			701,576
Support services	184,951	2,366	187,317			187,317
Total expenses	883,122	5,771	888,893			888,893
Change in net assets	372,529	(5,771)	366,758	248,503	(110,336)	504,925
Net assets, beginning of year	169,470	(462)	169,008	274,778	1,142,852	1,586,638
Net assets, end of year	541,999	(6,233)	535,766	523,281	1,032,516	\$ 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, 2008 WITH COMPARATIVE TOTALS FOR 2007

	2008				Total Expenses	2007 Comparative Totals
	Program Services	Admini- strative	Fund Raising	Total		
Grants	\$ 404,211				404,211	\$ 420,267
Wages	154,145	41,802	65,316	107,118	261,263	222,137
Payroll taxes	12,224	3,315	5,180	8,495	20,719	17,758
Employee benefits	17,118	4,642	7,254	11,896	29,014	22,488
Occupancy	12,784	3,467	5,417	8,884	21,668	19,413
Postage and printing	12,629	3,425	5,350	8,775	21,404	24,262
Publicity and program expenses	15,007				15,007	23,952
Office supplies	1,971	534	835	1,369	3,340	2,294
Equipment and maintenance	3,368	913	1,427	2,340	5,708	6,129
Travel and meetings	3,290	892	1,394	2,286	5,576	7,440
Professional fees	30,281	8,212	12,831	21,043	51,324	46,035
Dues and subscriptions	12,802				12,802	11,810
Telephone	2,389	648	1,012	1,660	4,049	5,183
Insurance	1,574	427	667	1,094	2,668	3,677
Depreciation	3,405	923	1,443	2,366	5,771	3,184
Staff recruiting and development	458	124	194	318	776	375
Computer software and maintenance	2,237	607	948	1,555	3,792	2,735
Other	11,683	3,168	4,950	8,118	19,801	6,017
<b>Total</b>	<b>\$ 701,576</b>	<b>73,099</b>	<b>114,218</b>	<b>187,317</b>	<b>888,893</b>	<b>\$ 845,157</b>

See independent auditor's report and notes to financial statements

CROSSROADS FUND, INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008 WITH COMPARATIVE TOTALS FOR 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 504,925	\$ 1,245,763
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,771	3,184
(Increase) decrease in program and other receivables	10,544	60,394
(Increase) decrease in prepaid expenses	756	(2,600)
(Decrease) increase in accounts payable and accrued expenses	(3,341)	15,687
(Increase) Decrease in deposit	(741)	(104)
Decrease in grants payable	-	-
Net cash provided (used) by operating activities	<u>517,914</u>	<u>1,322,324</u>
Cash flows from investing activities:		
Decrease in investments	137,943	(1,102,771)
Purchase of fixed assets	(4,675)	(8,631)
Net cash provided by investing activities	<u>133,268</u>	<u>(1,111,402)</u>
Net increase (decrease) in cash	651,182	210,922
Cash at beginning of year	<u>439,759</u>	<u>228,837</u>
Cash at end of year	<u>\$ 1,090,941</u>	<u>\$ 439,759</u>

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

**CROSSROADS FUND, INC**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**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. 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 2008, Synapses Fund totaled \$1,022,516 including cash of \$59,190. 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. The bequest is reflected as an unrestricted, however in accordance with Crossroads funds Gift Acceptance Policy, the bequest has been allocated in the following ways: 10% to general operating, 40% to reserve and 50% to endowment.

8 **Retirement plan:**

Crossroads provides a SEP 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 2007, the percentage contribution was 2 percent. Retirement plan expense totaled \$4,080 in 2007.

9 **Temporarily restricted net assets**

Temporarily restricted net assets are available for the following:

Donor advised grants	\$ 491,641
Women's Justice fund	31,640
Total	<u>\$ 523,281</u>

Temporarily restricted net assets were released from restrictions as follow:

Restricted funds released	\$ 132,470
Donor advised grant made	152,532
	<u>\$ 285,002</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, 2007 from which the summarized information was derived.

**SUPPLEMENTAL SCHEDULE**

**CROSSROADS FUND, INC**  
**SYNAPSES ENDOWMENT FUND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

ENDOWMENT BEGINNING VALUE AS OF JUNE, 2007	\$	1,145,417
		(57,223)
DISTRIBUTION		(31,763)
REALIZED GAIN OR (LOSS)		28,953
DIVIDENDS AND INTEREST INCOME		(13,007)
INVESTMENT EXPENSES		4,914
ESTIMATED INTEREST INCOME		<u>4,914</u>
VALUE BEFORE UNREALIZED GAIN OR (LOSS)		1,077,292
		<u>(54,776)</u>
UNREALIZED GAIN OR (LOSS)		<u>(54,776)</u>
ENDOWMENT MARKET VALUE AS OF JUNE 30, 2008	\$	<u><u>1,022,516</u></u>