

CROSSROADS FUND, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS FOR 2013

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, 2014, 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, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

November 3, 2014

Kevin Park & Associates, Ltd.

CROSSROADS FUND, INC

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR JUNE 30, 2013

	2014					2013 Comparative Totals	
	Unrestricted			Temporarily Restricted	Permanently Restricted		Total
	General	Fixed Assets	Total				
ASSETS							
Current assets:							
Cash	385,098		385,098	411,155	297,415 (Note 6)	1,093,668	
Investments			-	26,300	6,480	32,780	
Receivables	31,515		31,515	6,200	45,573 (Note 6)	83,288	
Prepaid Expenses	7,778		7,778			7,778	
Deposit	1,000		1,000			1,000	
Total current assets	425,392		425,392	443,655	349,467	1,218,514	
Noncurrent assets							
Receivables					116,705 (Note 6)	116,705	
Office equipment, net of accumulated depreciation of \$76,518 and \$76,234 in 2014 and 2013 respectively		233	233			233	
Long Term Investment	-		-		1,205,263 (Note 6)	1,205,263	
Total assets	425,392	233	425,625	443,655	1,671,435	2,540,715	
LIABILITIES AND NET ASSTS							
Current liabilities:							
Accounts payable and accrued liabilities	-		-			-	
Grants payable	-		-			-	
Total current liabilities	-		-			-	
Net assets:	425,392	233	425,625	443,655 (Note 8)	1,671,435 (Note 6)	2,540,715 (Note 2)	
Total liabilities and net assets	425,392	233	425,625	443,655	1,671,435	2,540,715	

CROSSROADS FUND, INC
STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

	2014					2013 Comparative Totals
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	
	General	Fixed Assets				
Support and revenue -						
Contributions						
Funding Exchange endowment share	48,756		48,756		\$ 48,756	\$ 46,820
Foundation grants	235,375	-	235,375	395,519	-	630,894
Individuals	236,553		236,553	223,025	386,913	846,491
Net assets released from restriction	575,679		575,679	(575,679)	-	-
Endowment distribution	67,068		67,068		(67,068)	-
Realized gain or loss					24,025	24,025
Unrealized gain or loss					120,442	120,442
Investment income	3,424		3,424	-	26,998	30,422
Special events						
Proceeds	112,022		112,022			112,022
Expenses	(31,605)		(31,605)			(31,605)
Other	25,113.39	-	25,113	-	-	25,113
Total support and revenue	1,272,384	-	1,272,384	42,866	491,310	1,806,560
Expenses -						
Program services	951,609	153	951,762		951,762	593,359
Support services	231,592	130	231,722		231,722	227,952
Total expenses	1,183,200	283	1,183,484		1,183,484	821,311
Change in net assets	89,184	(283)	88,900	42,866	491,310	623,076
Net assets, beginning of year	362,721	(25,993)	336,728	400,789	1,180,122	1,917,639
Net assets, end of year	451,905	(26,276)	425,628	443,655	1,671,432	\$ 2,540,715

CROSSROADS FUND, INC

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

	2014				Total Expenses	2013
	Program Services	Admini- strative	Fund Raising	Total		Comparative Totals
Grants	\$ 622,378				622,378	\$ 277,585
Program expenses	51,610				51,610	49,395
Wages	175,161	70,064	79,147	149,211	324,372	313,146
Payroll taxes	15,292	6,117	6,910	13,027	28,319	28,300
Employee benefits	20,663	8,265	9,337	17,602	38,265	29,813
Occupancy	15,021	6,008	6,787	12,796	27,817	27,785
Postage and printing	7,869	3,148	3,556	6,703	14,572	13,802
Publicity	1,954				1,954	1,360
Office supplies	1,349	539	609	1,149	2,498	2,455
Equipment and maintenance	5,888	2,355	2,661	5,016	10,904	10,860
Travel and meetings	4,013	1,605	1,813	3,419	7,432	6,893
Professional fees	12,814	5,126	5,790	10,916	23,730	30,765
Dues and subscriptions	3,802				3,802	3,689
Telephone	2,048	819	925	1,745	3,793	4,010
Insurance	1,836	734	830	1,564	3,400	3,274
Depreciation	153	61	69	130	283	527
Staff recruiting and development	748	299	338	637	1,385	4,285
Computer software and maintenance	3,499	1,400	1,581	2,981	6,480	4,584
Other	5,664	2,266	2,560	4,826	10,490	8,783
Total	\$ 951,762	108,808	122,914	231,722	1,183,484	\$ 821,311

CROSSROADS FUND, INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 623,076	\$ 49,829
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	283	527
(Increase) decrease in program and other receivables	(104,313)	(55,926)
(Increase) decrease in prepaid expenses	(445)	(2,076)
(Decrease) increase in accounts payable and accrued expenses	(10,203)	3,481
(Increase) Decrease in deposit	<u>(1,000)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>507,398</u>	<u>(4,165)</u>
Cash flows from investing activities:		
(Increase) Decrease in investments	(104,476)	(50,834)
Purchase of fixed assets		
Net cash provided by investing activities	<u>(104,476)</u>	<u>(50,834)</u>
Net increase (decrease) in cash	402,922	(54,999)
Cash at beginning of year	<u>690,745</u>	<u>745,744</u>
Cash at end of year	<u>\$ 1,093,667</u>	<u>\$ 690,745</u>

CROSSROADS FUND, INC
NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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:

10/1/2014 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 cash gifts of \$297,415 to establish a general endowment fund and \$6,480 in cash held in the Synapses endowment fund.

Receivables in permanently restricted net assets include \$184,289 in pledges towards a general endowment. \$45,573 of Endowment Pledge Receivable are included in Current Receivables to be paid over the next year and \$116,705 net present value (5% discount rate) of \$138,716, payable over the pledge years are included in Noncurrent Receivables.

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 2014, Synapses Fund totaled \$1,211,743 including cash of \$6,480. 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 2014, 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	\$ 411,155
Women's Justice Fund	32,500
Total	<u>\$ 443,655</u>

Temporarily restricted net assets were released from restrictions as follow:

Foundation Contributions: Released from Restriction	\$ 368,461
Individual Contributions: Released from Restriction	207,218
	<u>\$ 575,679</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, 2013 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 first gift in the amount of \$160,000 was received on September 2013.

SUPPLEMENTAL SCHEDULE

CROSSROADS FUND, INC
SYNAPSES ENDOWMENT FUND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

ENDOWMENT BEGINNING VALUE AS OF JUNE 30, 2013	\$	1,107,343
DISTRIBUTION		(67,068)
REALIZED GAIN OR (LOSS)		24,025
DIVIDENDS AND INTEREST INCOME		31,264
INVESTMENT EXPENSES		(4,263)
ESTIMATED INTEREST INCOME		-
		(16,042)
VALUE BEFORE UNREALIZED GAIN OR (LOSS)		1,091,301
UNREALIZED GAIN OR (LOSS)		120,442
ENDOWMENT MARKET VALUE AS OF JUNE 30, 2014	\$	1,211,743