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November 21, 2017

Board of Directors
Crossroad Child & Family Services, Inc.
2525 Lake Avenue
Fort Wayne, IN 46805

We have reviewed the report prepared by Crossroad Child & Family Services, Inc. and opined upon by BKD, LLP, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Crossroad Child & Family Services, Inc. as of December 31, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, BKD, LLP prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

Crossroad Child & Family Services, Inc.
Independent Auditor's Report and Financial Statements
December 31, 2015 and 2014



Crossroad Child & Family Services, Inc.

December 31, 2015 and 2014

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Independent Auditor's Report

Board of Directors
Crossroad Child & Family Services, Inc.
Fort Wayne, Indiana

We have audited the accompanying financial statements of Crossroad Child & Family Services, Inc. (Organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crossroad Child & Family Services, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Fort Wayne, Indiana
June 20, 2016

Crossroad Child & Family Services, Inc.

Statements of Financial Position December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash	\$ 141,478	\$ 97,763
Accounts receivable, net of allowance of \$50,000 for 2015 and 2014	1,838,838	1,735,310
Inventories	17,400	12,238
Prepaid expenses	31,306	42,152
Cash surrender value of life insurance	17,830	16,666
Contributions receivable from charitable remainder trusts	12,985	14,744
Investments	5,716,345	6,136,166
Interest in assets held at Fort Wayne Community Foundation	84,806	88,075
Property and equipment	4,055,102	4,124,822
	<u>\$ 11,916,090</u>	<u>\$ 12,267,936</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 173,554	\$ 80,192
Accrued expenses	284,886	336,283
Line of credit	396,557	550,000
Custodial funds	14,771	12,391
Total liabilities	<u>869,768</u>	<u>978,866</u>
Net Assets		
Unrestricted	10,787,541	11,034,200
Temporarily restricted	258,781	254,870
Total net assets	<u>11,046,322</u>	<u>11,289,070</u>
Total liabilities and net assets	<u>\$ 11,916,090</u>	<u>\$ 12,267,936</u>

Crossroad Child & Family Services, Inc.

Statements of Activities

Years Ended December 31, 2015 and 2014

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue, Gains (Losses) and Other Support				
Fees for service	\$ 5,869,936	\$ -	\$ -	\$ 5,869,936
Contribution income	533,708	38,712	-	572,420
Grant income	78,553	-	-	78,553
Investment return designated for operations	268,894	-	-	268,894
Rental income	6,177	-	-	6,177
Miscellaneous	1,731	-	-	1,731
Net assets released from restrictions	34,801	(34,801)	-	-
Total revenue, gains (losses) and other support	6,793,800	3,911	-	6,797,711
Expenses				
Treatment services	5,229,640	-	-	5,229,640
Management and general	1,134,066	-	-	1,134,066
Fund raising	285,842	-	-	285,842
Total expenses	6,649,548	-	-	6,649,548
Change in Net Assets Before Investment Return Not Designated for Operations	144,252	3,911	-	148,163
Investment Return Not Designated for Operations	(390,911)	-	-	(390,911)
Change in Net Assets	(246,659)	3,911	-	(242,748)
Net Assets, Beginning of Year	11,034,200	254,870	-	11,289,070
Net Assets, End of Year	\$ 10,787,541	\$ 258,781	\$ -	\$ 11,046,322

See Notes to Financial Statements

2014

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 5,246,191	\$ -	\$ -	\$ 5,246,191
616,566	16,423	-	632,989
57,659	-	-	57,659
1,193,644	-	-	1,193,644
26,542	-	-	26,542
2,308	-	-	2,308
21,129	(21,129)	-	-
7,164,039	(4,706)	-	7,159,333
5,478,139	-	-	5,478,139
1,021,014	-	-	1,021,014
162,192	-	-	162,192
6,661,345	-	-	6,661,345
502,694	(4,706)	-	497,988
(783,899)	-	-	(783,899)
(281,205)	(4,706)	-	(285,911)
11,315,405	259,576	-	11,574,981
\$ 11,034,200	\$ 254,870	\$ -	\$ 11,289,070

Crossroad Child & Family Services, Inc.

Statements of Functional Expenses Years Ended December 31, 2015 and 2014

	2015			
	Program Services	Supporting Services		
	Treatment Services	Management and General	Fund Raising	Total
Salaries and related expenses	\$ 3,776,577	\$ 897,750	\$ 189,241	\$ 4,863,568
Other operating expenses	590,008	122,514	76,505	789,027
Occupancy	404,303	23,280	2,511	430,094
Purchased services	128,299	90,522	17,585	236,406
Total expenses before depreciation	4,899,187	1,134,066	285,842	6,319,095
Depreciation expense	330,453	-	-	330,453
Total expenses	<u>\$ 5,229,640</u>	<u>\$ 1,134,066</u>	<u>\$ 285,842</u>	<u>\$ 6,649,548</u>

2014

Program Services		Supporting Services		
Treatment Services	Management and General	Fund Raising	Total	
\$ 3,914,711	\$ 742,914	\$ 110,705	\$ 4,768,330	
650,230	118,550	38,871	807,651	
515,631	17,260	1,108	533,999	
86,088	142,290	11,508	239,886	
<u>5,166,660</u>	<u>1,021,014</u>	<u>162,192</u>	<u>6,349,866</u>	
311,479	-	-	311,479	
<u>\$ 5,478,139</u>	<u>\$ 1,021,014</u>	<u>\$ 162,192</u>	<u>\$ 6,661,345</u>	

Crossroad Child & Family Services, Inc.

Statements of Cash Flows Years Ended December 31, 2015 and 2014

	2015	2014
Operating Activities		
Change in net assets	\$ (242,748)	\$ (285,911)
Items not requiring (providing) operating activities cash flows		
Depreciation and amortization	330,453	311,479
Net realized and unrealized losses (gains) on investments	265,547	(236,721)
Changes in		
Accounts receivable	(103,528)	(844,456)
Contributions receivable from charitable remainder trusts	1,759	10,497
Inventories	(5,162)	(4,741)
Prepaid expenses	10,846	(12,642)
Cash surrender value of life insurance	(1,164)	(1,218)
Accounts payable and accrued expenses	41,965	(134,187)
Net cash provided (used) in operating activities	297,968	(1,197,900)
Investing Activities		
Purchase of property and equipment	(260,733)	(160,473)
Purchase of investments	(145,084)	(173,358)
Proceeds from disposition of investments	302,627	1,228,117
Net cash provided (used) by investing activities	(103,190)	894,286
Financing Activities		
Proceeds from line of credit	2,243,957	2,101,860
Repayment on line of credit	(2,397,400)	(1,844,598)
Increase (decrease) in custodial fund for children	2,380	(867)
Net cash provided (used) by financing activities	(151,063)	256,395
Increase (Decrease) in Cash	43,715	(47,219)
Cash, Beginning of Year	97,763	144,982
Cash, End of Year	\$ 141,478	\$ 97,763
Supplemental Cash Flows Information		
Interest paid	\$ 17,329	\$ 22,665

Crossroad Child & Family Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Crossroad Child & Family Services, Inc. (Organization) is a not-for-profit organization whose mission and principal activities are to provide treatment services to emotionally troubled children and their families placed by referring agencies primarily located in Indiana, Ohio and Michigan. The Organization's revenue and other support are derived principally from fees for services, with a significant amount of revenue coming from state or other government agencies, contributions and government grants, and its activities are conducted principally in the Fort Wayne, Indiana area.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

At December 31, 2015, the Organization's cash accounts did not exceed federally insured limits.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments carried at fair value.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as unrestricted and temporarily restricted based upon the existence and nature of any donor or legally imposed restrictions.

Accounts Receivable

Accounts receivable are stated at the amount billed to customers. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Crossroad Child & Family Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset, which ranges from three to 50 years.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Government Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Self Insurance

The Organization has elected to self-insure certain costs related to employee health benefit programs. Cost resulting from noninsured losses is charged to income when incurred. The Organization has purchased insurance that limits its exposure for individual claims in excess of \$115,000 with no maximum limit of liability.

Crossroad Child & Family Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization files tax returns in the U.S. federal and Indiana jurisdictions. With a few exceptions, the Organization is no longer subject to U.S. federal or state examinations by tax authorities for years before 2012.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among the program, management and general and fund raising categories based on units of service and other methods.

Reclassifications

Certain reclassifications have been made to the 2014 financial statements to conform to the 2015 financial statement presentation. These reclassifications had no effect on the change in net assets.

Subsequent Event

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Note 2: Investments and Investment Return

Investments at December 31 consisted of the following:

	<u>2015</u>	<u>2014</u>
Cash, cash equivalents and money market mutual funds	\$ 186,294	\$ 355,543
Equity securities		
Consumer discretionary	166,548	181,654
Consumer staples	83,390	112,652
Industrial	148,255	167,543
Energy	32,137	84,052
Financials	204,117	264,068
Materials	51,036	42,654
Information technology	208,866	245,586
Utilities	18,794	12,130
Health care	140,457	186,410
Telecommunications	12,942	8,421
International	63,988	49,285
Mutual funds		
Fixed income fund	870,028	846,053
Equity fund	1,414,140	1,393,181
Real estate investment trusts (REITs)	162,276	184,590
Fund of funds, United Church Funds (A)	1,953,077	2,002,344
	<u>\$ 5,716,345</u>	<u>\$ 6,136,166</u>

(A) The fund of funds investments do not have any unfunded commitments and can be redeemed at any time.

Crossroad Child & Family Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

Total investment return is comprised of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 143,528	\$ 173,023
Net realized and unrealized gains (losses) on investments	(265,547)	236,721
Total investment income	<u>(122,019)</u>	<u>409,744</u>
Other interest income	<u>2</u>	<u>1</u>
Total investment return	<u>\$ (122,017)</u>	<u>\$ 409,745</u>

The Organization has established an informal spending policy on the reserve funds for budgetary purposes. This amount is classified as investment return designated for operations:

	<u>2015</u>	<u>2014</u>
Investment return designated for operations	\$ 268,894	\$ 1,193,644
Investment loss not designated for operations	<u>(390,911)</u>	<u>(783,899)</u>
	<u>\$ (122,017)</u>	<u>\$ 409,745</u>

Investment fee expense was \$33,733 and \$34,473 for the years ended December 31, 2015 and 2014, respectively.

Note 3: Contributions Receivable From Charitable Remainder Trusts

Split-interest agreements consist primarily of beneficial interests in irrevocable charitable remainder trusts held by others. A charitable remainder trust provides for payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets will be available for the Organization's use. The amount of such assets held at the United Church Foundation (Trustee) amounted to \$12,985 and \$14,744 at December 31, 2015 and 2014, respectively.

Note 4: Interest in Assets at the Fort Wayne Community Foundation

The Organization has transferred assets to the Fort Wayne Community Foundation (Community Foundation) and retained a beneficial interest in those assets. The Organization is to receive the annual earnings of the previous calendar year. Principal may not be distributed. The cumulative amount of the retained beneficial interest included in the statements of financial position was \$84,806 and \$88,075 at December 31, 2015 and 2014, respectively.

Crossroad Child & Family Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

Note 5: Property and Equipment

Property and equipment at December 31 consists of:

	2015	2014
Land	\$ 4,865	\$ 4,865
Buildings and improvements	8,976,875	8,930,162
Machinery and equipment	2,028,562	2,002,325
Construction in progress	187,570	-
	<u>11,197,872</u>	<u>10,937,352</u>
Less accumulated depreciation and amortization	<u>(7,142,770)</u>	<u>(6,812,530)</u>
	<u>\$ 4,055,102</u>	<u>\$ 4,124,822</u>

Note 6: Line of Credit

The Organization has a \$750,000 revolving bank line of credit expiring in August 2016. At December 31, 2015 and 2014, there was \$396,557 and \$550,000 borrowed against this line, respectively. The line is collateralized by substantially all of the Organization's assets. Interest varies with the bank's prime rate with a floor of 5.00%, with an effective rate of 5.00% on December 31, 2015, and is payable monthly.

Note 7: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Crossroad Child & Family Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2015 and 2014:

	2015			
	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments	Fair Value			
Money market mutual funds	\$ 184,954	\$ 184,954	\$ -	\$ -
Equity securities				
Consumer discretionary	166,548	166,548	-	-
Consumer staples	83,390	83,390	-	-
Industrial	148,255	148,255	-	-
Energy	32,137	32,137	-	-
Financials	204,117	204,117	-	-
Materials	51,036	51,036	-	-
Information technology	208,866	208,866	-	-
Utilities	18,794	18,794	-	-
Health care	140,457	140,457	-	-
Telecommunications	12,942	12,942	-	-
International	63,988	63,988	-	-
Mutual funds				
Fixed income fund	870,028	870,028	-	-
Equity fund	1,414,140	1,414,140	-	-
Real estate investment trusts	162,276	162,276	-	-
Fund of funds, United Church Funds	1,953,077	-	1,953,077	-
Contributions receivable from charitable remainder trusts	12,985	-	-	12,985
Interest in assets held at the Community Foundation	84,806	-	-	84,806

Crossroad Child & Family Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

	2014			
	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Investments				
Money market mutual funds	\$ 354,547	\$ 354,547	\$ -	\$ -
Equity securities				
Consumer discretionary	181,654	181,654	-	-
Consumer staples	112,652	112,652	-	-
Industrial	167,543	167,543	-	-
Energy	84,052	84,052	-	-
Financials	264,068	264,068	-	-
Materials	42,654	42,654	-	-
Information technology	245,586	245,586	-	-
Utilities	12,130	12,130	-	-
Health care	186,410	186,410	-	-
Telecommunications	8,421	8,421	-	-
International	49,285	49,285	-	-
Mutual funds				
Fixed income fund	846,053	846,053	-	-
Equity fund	1,393,181	1,393,181	-	-
Real estate investment trusts	184,590	184,590	-	-
Fund of funds, United Church Funds	2,002,344	-	2,002,344	-
Contributions receivable from charitable remainder trusts	14,744	-	-	14,744
Interest in assets held at the Community Foundation	88,075	-	-	88,075

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2015. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Crossroad Child & Family Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. The nonpublicly traded equity/bond fund (fund of funds) has sufficient activity and liquidity and is classified within Level 2 of the valuation hierarchy. Fair value is determined using the net asset value (or its equivalent) provided by the fund. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 securities.

Contributions Receivable From Charitable Remainder Trusts

The fair value is estimated at the present value of the future distribution expected to be received at the end of each of the trust's term. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Interest in Assets Held at the Fort Wayne Community Foundation (Community Foundation)

The fair value is estimated at the present value of the future distributions expected to be received over the term of the agreements. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Level 3 Valuation Process

Fair value determinations for Level 3 measurements of securities are the responsibility of the Business Office. The Business Office contracts with a pricing specialist to generate fair value estimates on a monthly or quarterly basis. The Business Office challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

Crossroad Child & Family Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

	Contributions Receivable From Charitable Remainder Trust	Interest in Assets Held at the Community Foundation
Balance, January 1, 2014	\$ 25,241	\$ 86,511
Total realized and unrealized gains and losses included in change in net assets	<u>(10,497)</u>	<u>1,564</u>
Balance, December 31, 2014	14,744	88,075
Total realized and unrealized gains and losses included in change in net assets	<u>(1,759)</u>	<u>(3,269)</u>
Balance, December 31, 2015	<u>\$ 12,985</u>	<u>\$ 84,806</u>

The realized and unrealized gains and losses all relate to assets still held at the reporting date and are included in investment return on the statements of activities.

Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at December 31, 2015 and 2014:

	Fair Value at December 31, 2015	Valuation Technique	Unobservable Inputs	Range
Contributions receivable from charitable remainder trust	\$ 12,985	Discounted cash flow	Discount rates Mortality assumptions (*) Portfolio returns	4.0% - 8.0%
Interest in assets held at the community foundation	84,806	Discounted cash flow	Liquidity and marketability discounts Discount rates	3.0% - 8.0%
	Fair Value at December 31, 2014	Valuation Technique	Unobservable Inputs	Range
Contributions receivable from charitable remainder trust	\$ 14,744	Discounted cash flow	Discount rates Mortality assumptions (*) Portfolio returns	4.0% - 8.0%
Interest in assets held at the community foundation	88,075	Discounted cash flow	Liquidity and marketability discounts Discount rates	3.0% - 8.0%

* Based on the ages of designated beneficiaries in the trust instruments.

Crossroad Child & Family Services, Inc.

Notes to Financial Statements December 31, 2015 and 2014

Note 8: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31 are available for the following purposes or periods:

	<u>2015</u>	<u>2014</u>
For periods after December 31	\$ 12,985	\$ 14,744
Religion	6,413	6,413
Children's holidays	64,243	61,099
Education and scholarship	36,299	19,461
Maintenance and equipment	93,739	106,294
Staff training	652	652
Recreation	14,968	14,968
Various other purposes	29,482	31,239
	<u>\$ 258,781</u>	<u>\$ 254,870</u>

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	<u>2015</u>	<u>2014</u>
Holiday	\$ 6,395	\$ 4,536
Education	9,011	9,591
Maintenance	16,205	2,102
Staff training	-	348
Recreation	-	581
Various, other programs	3,190	3,971
	<u>\$ 34,801</u>	<u>\$ 21,129</u>

Note 9: Retirement Plans

The Organization sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code. All full-time employees at least 21 years of age and with one year and 1,000 hours of service are eligible to participate. The Plan, which provides for voluntary contributions from the participants, requires the Organization to match a discretionary percentage of the participants' salary deferrals up to a maximum of 5% of compensation. The Organization recognized \$72,409 and \$66,000 of pension expense for 2015 and 2014, respectively.

Crossroad Child & Family Services, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

Approximately 30% and 28% of contribution revenue was received from two donors in 2015 and 2014, respectively.