

# **CROSSROADS DIVERSIFIED SERVICES, INC.**

**FOR THE YEAR ENDED JUNE 30, 2010**

## **Taxpayer File Copy**

*PLEASE FILE IN A SECURE LOCATION*

**FEDERAL FORM 990  
CALIFORNIA FORM 199  
CALIFORNIA ATTORNEY GENERAL FORM RRF-1**

**Cropper Accountancy Corporation, Inc.**

*Certified Public Accountants*  
2977 Ygnacio Valley Road, #460  
Walnut Creek, CA 94598  
Ph 925.932.3860  
Fx 925.932.3862

CROPPER ACCOUNTANCY CORPORATION  
2977 YGNACIO VALLEY ROAD #460  
WALNUT CREEK, CA 94598

925-932-3860

May 9, 2011

WILLIAM WALTERS  
CHIEF FINANCIAL OFFICER  
9300 TECH CENTER DR. No. 100  
Sacramento, CA 95826

DEAR MR. WALTERS;

Enclosed is the organization's 2009 Exempt Organization return. The state Exempt Organization return and Annual Report are also enclosed. These should be signed, dated, and mailed.

Specific filing instructions are as follows.

FORM 990 RETURN:

Please sign and mail as soon as possible.

Mail to - Department of the Treasury  
Internal Revenue Service Center  
Ogden, UT 84201-0027

CALIFORNIA FORM 199 RETURN:

Mail to - Franchise Tax Board  
P.O. Box 942857  
Sacramento, CA 94257-0701

Please sign and mail Form 199 as soon as possible.

Enclose a check for \$10.

Make check payable to Franchise Tax Board.

CALIFORNIA FORM RRF-1:

Please sign and mail Form RRF-1 as soon as possible.

Mail to - Registry of Charitable Trusts  
P.O. Box 903447  
Sacramento, CA 94203-4470

Enclose a check for \$150 made payable to Attorney General's Registry of Charitable Trusts. Include "Form RRF-1," the

report year and the organization's state charity registration number and/or organization number on the remittance.

Copies of all the returns are enclosed for your files. We suggest that you retain these copies indefinitely.

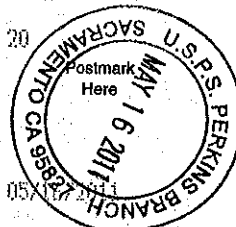
Very truly yours,

A handwritten signature in cursive script that reads "A. Bruce Cropper".

A. BRUCE CROPPER

# FEDERAL FORM 990 TAXPAYER FILE COPY

U.S. Postal Service™ <b>CERTIFIED MAIL™ RECEIPT</b> <small>(Domestic Mail Only; No Insurance Coverage Provided)</small>								
<small>For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a></small>								
<b>OFFICIAL USE</b>								
Postage	\$ 2.73	0826						
Certified Fee	\$2.85	20						
Return Receipt Fee <small>(Endorsement Required)</small>	\$2.30							
Restricted Delivery Fee <small>(Endorsement Required)</small>	\$0.00							
<b>Total Postage &amp; Fees</b>	<b>\$ 7.88</b>	05						
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; padding: 2px;"><small>Sent To</small></td> <td style="padding: 2px;"><b>DEPT. OF THE TREASURY</b></td> </tr> <tr> <td style="padding: 2px;"><small>Street, Apt. No., or PO Box No.</small></td> <td style="padding: 2px;"><b>INTERNAL REVENUE SERVICE</b></td> </tr> <tr> <td style="padding: 2px;"><small>City, State, ZIP+4</small></td> <td style="padding: 2px;"><b>OGDEN, UT 84201-0027</b></td> </tr> </table>			<small>Sent To</small>	<b>DEPT. OF THE TREASURY</b>	<small>Street, Apt. No., or PO Box No.</small>	<b>INTERNAL REVENUE SERVICE</b>	<small>City, State, ZIP+4</small>	<b>OGDEN, UT 84201-0027</b>
<small>Sent To</small>	<b>DEPT. OF THE TREASURY</b>							
<small>Street, Apt. No., or PO Box No.</small>	<b>INTERNAL REVENUE SERVICE</b>							
<small>City, State, ZIP+4</small>	<b>OGDEN, UT 84201-0027</b>							
<div style="display: flex; justify-content: space-between;"> <span><small>PS Form 3800, August 2006</small></span> <span><small>See Reverse for Instructions</small></span> </div>								



0101 0901 0000 8228 6101

**Return of Organization Exempt From Income Tax**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

**A** For the 2009 calendar year, or tax year beginning **JUL 1, 2009** and ending **JUN 30, 2010**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>Crossroads Diversified Services, Inc.</b> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>9300 TECH CENTER DR. 100</b> City or town, state or country, and ZIP + 4 <b>Sacramento, CA 95826</b>	<b>D</b> Employer identification number <b>94-2446765</b>
	<b>F</b> Name and address of principal officer: <b>David DeLeonardis</b> <b>9300 Tech Center Dr.</b>	<b>E</b> Telephone number <b>916-568-5230</b>
	<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) ( <b>3</b> ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	<b>G</b> Gross receipts \$ <b>7,283,541.</b>
	<b>J</b> Website: ▶ <b>www.crossroadsdiversified.com</b>	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1977</b> <b>M</b> State of legal domicile: <b>CA</b>

**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <b>Provide vocational services to disabled and socially/economically disadvantaged adults to encourage</b>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	
	5	Total number of employees (Part V, line 2a)	196	
	6	Total number of volunteers (estimate if necessary)	0	
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	0.	
7b	Net unrelated business taxable income from Form 990-T, line 34	0.		
Revenue	8	Contributions and grants (Part VIII, line 1h)	8,285.	42,147.
	9	Program service revenue (Part VIII, line 2g)	6,672,036.	7,109,664.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,609.	80,471.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	79,103.	51,259.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,766,033.	7,283,541.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	4,483,508.	4,850,773.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 433.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	2,051,525.	2,273,532.
Net Assets or Fund Balances	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	6,535,033.	7,124,305.
	19	Revenue less expenses. Subtract line 18 from line 12	231,000.	159,236.
	20	Total assets (Part X, line 16)	2,535,451.	2,944,566.
	21	Total liabilities (Part X, line 26)	1,295,633.	790,084.
	22	Net assets or fund balances. Subtract line 21 from line 20	1,239,818.	2,154,482.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here ▶ *David DeLeonardis* Signature of officer Date **5/16/2011**

▶ **David DeLeonardis, Chief Executive Officer**  
Type or print name and title

Paid Preparer's Use Only	Preparer's signature ▶ <i>Alan Bruce Cropper</i>	Date ▶ <b>05/09/11</b>	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) ▶ <b>P01252878</b>
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ <b>Cropper Accountancy Corporation 2977 Ygnacio Valley Road #460 Walnut Creek, CA 94598</b>	EIN ▶ <b>68-9372583</b>	Phone no. ▶ <b>9259323860</b>	

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **X**
  - If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Part II**

Name of exempt organization

**Crossroads Diversified Services, Inc.**

Number, street, and room or suite no. If a P.O. box, see instructions.  
**9300 TECH CENTER DR., No. 100**

City, town or post office, state, and ZIP code. For a foreign address, see instructions.  
**Sacramento, CA 95826**

Employer identification number  
**94-2446765**

Enter the Return code for the return that this application is for (file a separate application for each return) **01**

**Application Is For**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

• The books are in the care of **9300 TECH CENTER DR., NO. 100 - Sacramento, CA 95826**

• Telephone No. **916-568-5230**

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)  and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **May 15, 2011**

5 For calendar year **2009**, or other tax year beginning **JUL 1, 2009**, and ending **JUN 30, 2010**

6 If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return

7 State in detail why you need the extension  
**AUDIT IN PROCESS**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.

8a	\$	0.
8b	\$	0.
8c	\$	0.

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **Alan B. Cuppen** Title **CPA**

Date **Feb 14, 2011**  
Form 8868 (Rev. 1-2011)

Part III Statement of Program Service Accomplishments

- 1 Briefly describe the organization's mission: See Schedule O for Continuation  
**To a) design, operate and manage programs and services which provide persons with disabilities, displaced workers and socially and economically disadvantaged with opportunities to attain their employment, educational, social and personal goals; b) provide employment**
- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
 If "Yes," describe these new services on Schedule O.
- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
 If "Yes," describe these changes on Schedule O.
- 4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ **3,822,563.** including grants of \$ ) (Revenue \$ )  
**Ability One Program-Employment for persons with severe mental illness and to employ severely disabled persons.**

4b (Code: ) (Expenses \$ **378,330.** including grants of \$ ) (Revenue \$ )  
**Department of Rehab-Cooperative vocational rehab for persons with severe mental illness, including vocational assessments and employment.**

4c (Code: ) (Expenses \$ **329,757.** including grants of \$ ) (Revenue \$ )  
**Work with SSA beneficiaries with disabilities to determine eligibility for federal or State work incentive programs.**

4d Other program services. (Describe in Schedule O.)  
 (Expenses \$ **1,654,701.** including grants of \$ ) (Revenue \$ )

4e Total program service expenses ▶ \$ **6,185,351.**

Part IV Checklist of Required Schedules Crossroads Diversified Services, Inc.

	Yes	No
1	X	
2	X	
3		X
4		X
5		
6		X
7		X
8		X
9		X
10		X
11	X	
12		X
12A	X	
13		X
14a		X
14b		X
15		X
16		X
17		X
18		X
19		X
20		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, question text, and Yes/No columns. Includes rows for 1a, 1b, 1c, 2a, 2b, 3a, 3b, 4a, 4b, 5a, 5b, 5c, 6a, 6b, 7, 7a, 7b, 7c, 7d, 7e, 7f, 7g, 7h, 8, 9, 9a, 9b, 10, 10a, 10b, 11, 11a, 11b, 12a, 12b.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body		
<b>1b</b>	Enter the number of voting members that are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a material diversion of the organization's assets?		X
<b>6</b>	Does the organization have members or stockholders?		X
<b>7a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
<b>7b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Does the organization have local chapters, branches, or affiliates?		X
<b>10b</b>	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>11</b>	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11A</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
<b>13</b>	Does the organization have a written whistleblower policy?	X	
<b>14</b>	Does the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>15b</b>	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	X	
<b>16b</b>	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	X	

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **Bill Walters - 916-568-5230**  
**9300 TECH CENTER DR., NO. 100, Sacramento, CA 95826**





Part VIII Statement of Revenue				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	42,147.				
	g	Noncash contributions included in lines 1a-1f: \$						
h Total. Add lines 1a-1f				42,147.				
Program Service Revenue	2 a	Program Service Revenue	Business Code 541900	7,109,664.	7,109,664.			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		7,109,664.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		80,471.	80,471.			
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	(ii) Personal				
		b Less: rental expenses						
		c Rental income or (loss)						
	d	Net rental income or (loss)			50,700.	50,700.		
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses						
		c Gain or (loss)						
		d Net gain or (loss)						
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b					
		c Net income or (loss) from fundraising events						
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b						
c Net income or (loss) from gaming activities								
10 a	Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b						
	c Net income or (loss) from sales of inventory							
Miscellaneous Revenue								
11 a	other	Business Code 900099		559.	559.			
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d			559.				
12	Total revenue. See instructions.			7,283,541.	7,241,394.	0.	0.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	113,441.	28,360.	85,081.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	4,032,918.	3,614,952.	417,533.	433.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	704,414.	621,789.	82,625.	
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	19,303.		19,303.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	60,766.	28,142.	32,624.	
12 Advertising and promotion	12,014.	930.	11,084.	
13 Office expenses	94,691.	55,606.	39,085.	
14 Information technology				
15 Royalties				
16 Occupancy	353,450.	235,527.	117,923.	
17 Travel	73,098.	61,205.	11,893.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	18,930.	805.	18,125.	
20 Interest	1,167.		1,167.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	64,937.	52,733.	12,204.	
23 Insurance	34,105.	25,437.	8,668.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Administration	621,900.	621,577.	323.	
b Contract Supplies	349,439.	349,148.	291.	
c Fees	232,144.	223,608.	8,536.	
d Maintenance	168,534.	167,184.	1,350.	
e Equipment rent & repair	59,814.	53,337.	6,477.	
f All other expenses	109,240.	45,011.	64,229.	
25 Total functional expenses. Add lines 1 through 24f	7,124,305.	6,185,351.	938,521.	433.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing .....		1
	2	Savings and temporary cash investments .....	813,171.	2 339,322.
	3	Pledges and grants receivable, net .....		3
	4	Accounts receivable, net .....	984,875.	4 1,479,968.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L .....		6
	7	Notes and loans receivable, net .....		7
	8	Inventories for sale or use .....	3,512.	8 3,512.
	9	Prepaid expenses and deferred charges .....	116,917.	9 192,556.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 845,849.	
	b	Less: accumulated depreciation .....	10b 616,581.	10c 229,268.
	11	Investments - publicly traded securities .....		11
	12	Investments - other securities. See Part IV, line 11 .....	335,078.	12 518,770.
	13	Investments - program-related. See Part IV, line 11 .....		13
	14	Intangible assets .....		14
	15	Other assets. See Part IV, line 11 .....	76,878.	15 181,170.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	2,535,451.	16 2,944,566.	
Liabilities	17	Accounts payable and accrued expenses .....	565,909.	17 673,368.
	18	Grants payable .....		18
	19	Deferred revenue .....		19
	20	Tax-exempt bond liabilities .....		20
	21	Escrow or custodial account liability. Complete Part IV of Schedule D .....		21
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22
	23	Secured mortgages and notes payable to unrelated third parties .....		23 19,499.
	24	Unsecured notes and loans payable to unrelated third parties .....		24 70,000.
	25	Other liabilities. Complete Part X of Schedule D .....	729,724.	25 27,217.
	26	<b>Total liabilities.</b> Add lines 17 through 25 .....	1,295,633.	26 790,084.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27	Unrestricted net assets .....	1,223,664.	27 2,153,328.
	28	Temporarily restricted net assets .....	16,154.	28 1,154.
	29	Permanently restricted net assets .....		29
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds .....		30
	31	Paid-in or capital surplus, or land, building, or equipment fund .....		31
	32	Retained earnings, endowment, accumulated income, or other funds .....		32
33	<b>Total net assets or fund balances</b> .....	1,239,818.	33 2,154,482.	
34	<b>Total liabilities and net assets/fund balances</b> .....	2,535,451.	34 2,944,566.	

**Part XI Financial Statements and Reporting**

**1** Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

**2a** Were the organization's financial statements compiled or reviewed by an independent accountant? .....

**b** Were the organization's financial statements audited by an independent accountant? .....

**c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

**d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis  Consolidated basis  Both consolidated and separate basis

**3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....

**b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits. ....

	Yes	No
<b>2a</b>		<b>X</b>
<b>2b</b>	<b>X</b>	
<b>2c</b>	<b>X</b>	
<b>3a</b>	<b>X</b>	
<b>3b</b>	<b>X</b>	

Form **990** (2009)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2009**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization **Crossroads Diversified Services, Inc.** Employer identification number **94-2446765**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.  
 a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
 (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?   
 (ii) A family member of a person described in (i) above?   
 (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2009

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	3589762.	4102244.	6047491.	6680321.	7151811.	27571629.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3	3589762.	4102244.	6047491.	6680321.	7151811.	27571629.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public support.</b> Subtract line 5 from line 4.						27571629.

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>7</b> Amounts from line 4	3589762.	4102244.	6047491.	6680321.	7151811.	27571629.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	48,428.	49,200.	13,431.	6,609.	80,471.	198,139.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	379.	3,187.	120,089.	79,103.	51,259.	254,017.
<b>11 Total support.</b> Add lines 7 through 10						28023785.
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	98.39	%
<b>15</b> Public support percentage from 2008 Schedule A, Part II, line 14	15	98.73	%
<b>16a 33 1/3% support test - 2009.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>			
<b>b 33 1/3% support test - 2008.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
<b>17a 10% -facts-and-circumstances test - 2009.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
<b>b 10% -facts-and-circumstances test - 2008.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>			

**Part III Support Schedule for Organizations Described in Section 509(a)(2)** (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** .....

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>		%
<b>16</b> Public support percentage from 2008 Schedule A, Part III, line 15 .....	<b>16</b>		%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>		%
<b>18</b> Investment income percentage from 2008 Schedule A, Part III, line 17 .....	<b>18</b>		%

**19a 33 1/3% support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

**b 33 1/3% support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions .....

**Schedule of Contributors**

OMB No. 1545-0047

▶ Attach to Form 990, 990-EZ, or 990-PF.

**2009**

Name of the organization

Employer identification number

Crossroads Diversified Services, Inc.

94-2446765

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

**Crossroads Diversified Services, Inc.**

**94-2446765**

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<p><b>The Wachovia Foundation</b>  <b>301 South College Street</b>  <b>Charlotte, NC 28202</b></p>	<p>\$ <b>10,000.</b></p>	<p>Person <input checked="" type="checkbox"/>                      Payroll <input type="checkbox"/>                      Noncash <input type="checkbox"/>                      (Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/>                      Payroll <input type="checkbox"/>                      Noncash <input type="checkbox"/>                      (Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/>                      Payroll <input type="checkbox"/>                      Noncash <input type="checkbox"/>                      (Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/>                      Payroll <input type="checkbox"/>                      Noncash <input type="checkbox"/>                      (Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/>                      Payroll <input type="checkbox"/>                      Noncash <input type="checkbox"/>                      (Complete Part II if there is a noncash contribution.)</p>
		<p>\$ _____</p>	<p>Person <input type="checkbox"/>                      Payroll <input type="checkbox"/>                      Noncash <input type="checkbox"/>                      (Complete Part II if there is a noncash contribution.)</p>

Name of organization

Employer identification number

**Crossroads Diversified Services, Inc.**

**94-2446765**

**Part II Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____

Name of organization

Employer identification number

**Crossroads Diversified Services, Inc.**

**94-2446765**

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

**Schedule D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

**Crossroads Diversified Services, Inc.**

Employer identification number

**94-2446765**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- Purpose(s) of conservation easements held by the organization (check all that apply).
 

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
- Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.
 

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06 .....	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_
- Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_
- Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_
- Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....
- In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
 

(i) Revenues included in Form 990, Part VIII, line 1 .....	▶ \$ _____
(ii) Assets included in Form 990, Part X .....	▶ \$ _____
- If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
 

a Revenues included in Form 990, Part VIII, line 1 .....	▶ \$ _____
b Assets included in Form 990, Part X .....	▶ \$ _____

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment  %
- b Permanent endowment  %
- c Term endowment  %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?  Yes  No

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	16,470.			16,470.
b Buildings	202,057.		193,449.	8,608.
c Leasehold improvements	36,851.		21,932.	14,919.
d Equipment	590,471.		401,200.	189,271.
e Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)  229,268.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives .....		
Closely-held equity interests .....		
Other .....		
<b>Investment in Crossroads Facility Services, Inc.</b>	<b>413,464.</b>	<b>Cost</b>
<b>Other investments</b>	<b>105,306.</b>	<b>Cost</b>
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶	<b>518,770.</b>	

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
<b>Due from Crossroads Facility Services, Inc.</b>	<b>181,170.</b>
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	<b>181,170.</b>

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
<b>Other liabilities</b>	<b>27,217.</b>
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	<b>27,217.</b>

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	7,283,541.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	7,124,305.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	159,236.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	755,428.
9	Total adjustments (net). Add lines 4 through 8	9	755,428.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	914,664.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	7,283,541.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	7,283,541.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	7,283,541.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	7,124,305.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	7,124,305.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	7,124,305.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**Transfers of net assets from Crossroads Building Services, which is no**

**longer active, totalling 755,428 were made to Crossroads Diversified**

**during the year.**

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

Crossroads Diversified Services, Inc.

Employer identification number

94-2446765

Form 990, Part I, Line 1, Description of Organization Mission:

and facilitate individual motivation while focusing on realistic and  
attainable goals.

Form 990, Part III, Line 1, Description of Organization Mission:

opportunities to people with disabilities, displaced workers and  
socially and economically disadvantaged and c) carry on other  
charitable activities associated with these purposes, as permitted by  
law.

Form 990, Part III, Line 4d, Other Program Services:

Expenses related to other employment services.

Expenses \$ 1654701. including grants of \$ 0. Revenue \$ 0.

Form 990, Part VI, Section B, line 11: A copy of the completed form 990 is  
reviewed prior to filing.

Form 990, Part VI, Section B, Line 12c: The organization regularly  
addresses & monitors compliance issues.

Form 990, Part VI, Section B, Line 15: Compensation of key employees is  
subject to review and approval by the Board.

Form 990, Part VI, Section C, Line 19: Made available upon request





**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts I-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to other organization(s)		X
c Gift, grant, or capital contribution from other organization(s)	X	
d Loans or loan guarantees to or for other organization(s)		X
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)		X
l Performance of services or membership or fundraising solicitations by other organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets		X
n Sharing of paid employees		X
o Reimbursement paid to other organization for expenses		X
p Reimbursement paid by other organization for expenses		X
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1)	Crossroads Facility Services, Inc.	C	19,962.
(2)	crossroads Facility Services, Inc.	N	13,990.
(3)	crossroads Facility Services, Inc.	P	250,690.
(4)			
(5)			
(6)			



# **BYLAWS**

**of**

## **Crossroads Diversified Services, Inc.**

**As Amended June 24, 2010**

### **ARTICLE I NAME AND PRINCIPAL OFFICE**

#### **Section 1.**

The name of the organization shall be Crossroads Diversified Services, Incorporated.

#### **Section 2.**

The principal office for the transaction of business of the Corporation is hereby fixed and located at, 9300 Tech Center Drive, Suite 100, County of Sacramento, and State of California. The Board of Directors may at any time or from time-to-time change the location of the principal office from one location to another in said County.

### **ARTICLE II PURPOSE**

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It elects to be organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

The specific purposes of this corporation shall be to: (a) design, develop, operate and manage programs and services which provide persons with disabilities, displaced workers and the socially and economically disadvantaged with opportunities to attain their employment, educational, social and personal goals; (b) engage in activities as a means to provide employment opportunities to persons with disabilities, displaced workers and the socially and economically disadvantaged, and otherwise enable the corporation to carry out the purposes described in (a); and (c) carry on other charitable activities associated with these purposes, as permitted by law.

The general purposes of this corporation shall be to have and exercise all rights and powers conferred on nonprofit corporations under the laws of California, including the power to contract, rent, buy or sell personal or real property, and to engage in any lawful activity necessary, incidental, or conducive to the attainment of the purposes described above, or which may be carried on or done in connection therewith.

### **ARTICLE III MEMBERSHIP**

The members of the Corporation shall consist solely of duly elected members of the Board of Directors.

### **ARTICLE IV BOARD OF DIRECTORS**

#### **Section 1. Powers**

Subject to the limitation of the Articles of Incorporation, of the Bylaws and of the laws of the State of California, all corporate powers shall be exercised by or under authority of, and the business affairs of this Corporation shall be controlled by a Board of Directors.

#### **Section 2. Number**

The number of directors shall be not less than five (5) and not more than fifteen (15).

### **Section 3. Composition**

The Board of Directors shall be composed, except in the case of the President/CEO, of independent, directors committed to furthering the purposes of this Corporation. An independent director is someone whose only nontrivial professional, familial, or financial connection to the corporation, its President/CEO, or any other employee of the corporation is his or her directorship. The Board shall include at least one member who is a person with a disability. A person with a disability who is a member of the Board shall not be a **current** recipient of Crossroads' services.

### **Section 4. Selection of Directors**

- a. The Governance/Nominating Committee shall present a list of nominees for each Directorship to the Board of Directors at least five (5) days before the Annual Meeting. Consent will be obtained from the nominees before placing their names on the ballot.
- b. The Chairperson shall accept nominations for directors of the Corporation from the floor at the Annual Meeting.
- c. All Board members shall be encouraged to submit names of nominees upon receiving consent of the nominees.
- d. All additions to the list of nominees shall have a place on the ballot.
- e. Directors shall be elected by the Board of Directors at the Annual Meeting.

### **Section 5. Duties of the Board Members**

It shall be the duty of the Board of Directors to direct and monitor the affairs of the Corporation in furtherance of its purpose, recruit, nominate and approve new Directors, and represent the interests of the organization's stakeholders. Each director also assumes the following duties and obligations to the Corporation:

- a. to act honestly in the best interests of Crossroads;
- b. to use care and diligence in performing the functions of a Director of Crossroads;
- c. to have skills relevant to the office of Director of Crossroads and use them in pursuance of Crossroads' objectives;
- d. to use the office of Director only for proper purposes;
- e. not to make improper use of information gained in the position of Director;
- f. to avoid conflict of interest;
- g. to use independent judgment;
- h. to ensure that confidential information is kept confidential to Crossroads;
- i. not to engage in conduct to bring Crossroads into disrepute;
- j. to attend and participate in Board meetings;
- k. to make reasonable enquires to ensure Crossroads is operating efficiently, effectively and legally toward achieving its goals;

- l. to undertake diligent analysis of all proposals placed before the Board;
- m. to actively participate in at least one standing or ad hoc committee of the Board.

Failure to carry out these duties may be cause for removal from the Board.

#### **Section 6. Terms**

- a. Directors' terms shall be for three (3) years from the Annual Meeting.
- b. The term of any Director shall expire at the Annual meeting of the last year of the Director's term.
- c. Leaves of absence may be granted to a Director by the Chair for a period not to exceed one year

#### **Section 7. Vacancies**

- a. Every effort will be made to fill vacancies in directorships within sixty (60) days of the next regular Board meeting following announcement of vacancy.
- b. A Director appointed to fill a vacancy shall serve for the un-expired term of the predecessor in office.
- c. A vacancy or vacancies shall be deemed to exist in the case of death, resignation or removal of any director.
- d. Vacancies shall be filled by a majority vote of the Board.

#### **Section 8. Removal of Directors**

A Director may be removed for cause by a vote of two-thirds (2/3) of the Board of Directors at a meeting duly called and noticed for that purpose as provided by these Bylaws provided, however, that the notice of meeting must specify the name of the Director whose removal will be sought and must specify the grounds on which the removal will be based. Discussion on the motion shall take place in Executive Session unless the Director affected requests an open meeting.

#### **Section 9. Place of Meeting**

Meetings of the Board of Directors shall be held at any place designated from time to time by consent of the Board. In the absence of such designation, meetings shall be held at the principal office of the Corporation.

#### **Section 10. Annual Meeting**

- a. The Directors shall hold an Annual Meeting in June of each year for the purpose of electing Directors and Officers to the Board. Duly elected Directors shall begin their terms immediately upon election to the Board. Duly elected Officers shall begin their terms in July.
- b. At this meeting, the Board shall also organize itself to conduct business for the ensuing year, which shall include the election of officers and any business matters as the Directors deem appropriate. The outgoing Chairperson shall preside until the election of a successor. In the event the outgoing Chairperson is no longer a Director, the Board may appoint a temporary Chairperson to preside at the Annual Meeting.

### **Section 11. Other Regular Meetings; Notices**

- a. Regular meetings of the Board of Directors may be held at some time or times as designated by the Board of Directors.
- b. The Secretary of the Corporation, or other person designated by the Chairperson, shall deliver written or printed notice of the time and place of regular meetings of the Board and an agenda therefore to each Director personally by United States mail, facsimile, electronic (Email) or express mail at least five (5) days prior to the date of the meeting. Notices shall be deemed to be delivered on their deposit in the United States mail or express mail company, or on the date electronically stamped for facsimile or electronic (Email) mail. Such notices shall be addressed as set forth in Section 12.

### **Section 12. Special Meetings**

- a. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairperson or, if the Chairperson is absent or unable or refuses to act, by the Vice-Chairperson or one-third (1/3) of the Directors.
- b. At least twenty-four (24) hours written notice of the time, place, and purpose of special meetings shall be delivered personally to the Directors, or sent so as to be delivered twenty-four (24) hours before the meeting to each Director at the address as it is shown upon the records of the Corporation, or if it is not so shown on the records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. Such delivery as provided for in Section 11.b. above shall constitute personal notice to such Director.

### **Section 13. Waiver of Notice**

The transactions at any Directors' meeting at which a quorum is present, however called or noticed, are valid as if taken at a meeting regularly called and noticed and if all Directors agree to a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which waiver shall be filed with the Minutes of the Board.

### **Section 14. Conduct of Meetings**

- a. Except as otherwise expressly provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chairperson shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors at such meeting may adjourn to a time certain or until the time fixed for the next regular meeting of the Board.
- b. All meetings of Directors shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent or in conflict with these Bylaws, with the Articles of Incorporation of this Corporation, or with law.
- c. Meetings of Directors shall be presided over by the Chairperson of the Corporation, or in the Chairperson's absence, by the Vice-Chairperson or in the absence of both, by a Chairperson chosen by majority of the Directors present. The Secretary of the Corporation shall act as Secretary of the Board of Directors. In case the Secretary is absent from any meeting of the Directors, the presiding officer may appoint any Director to act as Secretary for that meeting.

### **Section 15. Quorum and Voting**

- a. A quorum shall consist of one more than one-half of the Directors, not counting ex-officio Directors.
- b. There shall be one vote per Director.
- c. Voting by written proxy shall be permitted. A proxy vote must be received in the administrative office prior to the call to order of a Board or committee meeting.
- d. Every act or decision done or made by a majority of the Directors present at the meeting duly held at which a quorum is present is the act of the Board of Directors, unless the law, the Articles of Incorporation of this Corporation or these Bylaws require a greater number.
- e. Role Call Votes: Upon request of a Director, prior to the vote, a roll call vote shall be taken and recorded.
- f. Presiding Officer: The presiding officer shall cast a vote in all matters voted upon by the Board of Directors.
- g. In the election of Officers when there is more than one candidate for the same position, the method of voting shall be by secret ballot.

### **Section 16. Action Without A Meeting**

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Director. Any certificate or other documents filed under any provisions of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting, and that the Articles of Incorporation and Bylaws of this Corporation authorize the Directors to so act, and such a statement shall be prima facie evidence of such authority.

### **Section 17. Conflict of Interest**

No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that directors financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the board prior to the board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the board by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction, the board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into.

This section does not apply to a transaction that is part of an educational or charitable program of this corporation if it (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

Annually, each Director shall certify, in writing, whether he/she has, or suspects he/she has, a material financial interest, either directly or indirectly, in any contract or transaction of this Corporation.

#### **Section 18. Code of Conduct**

Directors and Officers of the Corporation shall provide effective and ethical governance on behalf of its stakeholders to ensure the Corporation focuses on its mission and outcomes, resulting in the Corporation's stability and long-term success. To this end, Directors and Officers:

- a. Acknowledge the Corporation's *Corporate Ethics Policy*,
- b. Commit to observing a high standard of ethics and conduct,
- c. Will devote their best efforts to the interests of the Corporation and its stakeholders.
- d. Will perform their duties as an Officer and Director in such a manner that stakeholder confidence and trust in the integrity, objectivity and impartiality of Crossroads Diversified Services, Inc., are conserved and enhanced.

To signify acceptance of, and commitment to this Policy, each Officer and Director will, annually, sign the *Corporate Ethics Policy*, and such signature will be filed with the Corporation's Book of Minutes.

The Governance Committee of the Board of Directors shall have responsibility to ensure adherence to this Policy.

#### **Section 19. Attendance at Board Meetings**

- a. A record of Director attendance at all meetings shall be established and maintained.
- b. Failure to attend seventy-five percent (75%) of regularly scheduled Board of Directors' meetings may constitute cause for removal from the Board.
- c. An excused absence from a regular Board of Directors meeting shall be a written or telephone excuse delivered to the Administrative office of the Corporation prior to the meeting specifying the reason for such absence.
- d. No action of the board of Directors, otherwise valid, shall be invalid due to a failure to comply with this Section.
- e. The Board may waive any provisions of this section at its discretion.

#### **Section 20. Non-Liability of Directors**

Directors shall not be personally liable for the debts, liabilities or other obligations of the Corporation, and the Corporation shall defend, indemnify and hold them harmless from any claim or cause of action to the extent permitted by law.

#### **Section 21. Delegation of Duties**

The Board of Directors shall have the power to delegate to the President/CEO, or other employees or agents of the Corporation as from time to time deemed desirable, any duties imposed on them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws, except the duty of amending these bylaws.

## **Section 22. Ex-Officio Members of the Board**

- a. The Corporation's President/~~(CEO)~~ shall be an ex-officio member of the Board of Directors without the right to vote upon matters before the Board.
- b. Other ex-officio members of the Board of Directors without the right to vote may be appointed from time to time by the Board for a specified term.
- c. Ex-officio members of the Board of Directors shall generally be accorded all privileges of Board membership but may, at the discretion of the Board, be excluded from any Executive sessions

## **ARTICLE V OFFICERS**

### **Section 1. Number and Titles**

- a. The Officers of the Corporation shall be a Chairperson, a Vice-Chairperson, a Treasurer and a Secretary.
- b. Each Officer may hold only one office.

### **Section 2. Qualifications**

Only members of the Board of Directors are qualified to be an Officer of the Corporation.

### **Section 3. Nominations**

- a. Nominations for Officers of the Corporation shall be accepted by the Chairperson at the Annual Meeting.
- b. All Board members shall be encouraged to submit to the Governance/Nominating Committee names of nominees upon receiving consent of the nominees.
- c. All additions to the list of nominees shall have a place on the ballot.

### **Section 4. Election, Terms of Office**

- a. All Officers of the Corporation, other than those appointed pursuant to Section 7 of this Article, shall be elected by the Directors at the Annual Meeting.
- b. A term as Officer is defined as two (2) years.
- c. Each Officer shall hold office for one term (two (2) years), and if re-elected by a majority of the Board may serve one (1) additional term (four (4) years total).
- d. All ballots shall be publicly counted and results for each candidate publicized.
- e. The candidate chosen shall be the person receiving the majority of votes in the secret ballot.
- f. Re-voting in the case of a tie shall also be done by secret ballot.
- g. If there is not an absolute majority, there will be re-voting of the top two candidates for an office.

### **Section 5. Subordinate Officers**

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers or agents shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors

### **Section 6. Removal and Resignation**

- a. Any Officer may be removed, with cause, by two-thirds (2/3) of the Directors at the time in office, at any regular or special meetings of the board, and such Officer shall be removed should the Officer cease to be qualified for the office as herein required.
- b. Any Officer may resign at any time by giving written notice to the Board of Directors, or the Chairperson or Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice, or at any later time specified therein, if agreeable to a majority of the Board and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

### **Section 7. Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any Officer shall be filled by the Board of Directors for the unexpired portion of the term within sixty (60) days of the vacancy, if possible. Such unexpired portion shall not be considered as part of the term specified in Section IV. In the event of a vacancy in any office other than that of the Chairperson, such vacancy may be filled temporarily by appointment by the Chairperson until such time as the Board shall fill the vacancy. Vacancies occurring in an office or office appointed at the discretion of the Board pursuant to Section 5 above may or may not be filled, as the Board shall determine.

### **Section 8. Chairperson**

- a. The Chairperson shall perform all duties incident to the office which are not the responsibility of the President/CEO, and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors.
- b. The Chairperson shall preside at all meetings of the Board of Directors.
- c. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, the Chairperson shall, in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments of the Corporation which may from time to time be authorized by the Board of Directors
- d. The Chairperson shall also be an ex-officio member of all standing Committees of the Corporation, not including the Executive Committee
- e. The Chairperson shall, when feasible, be required to have a parliamentarian available at all meetings. The parliamentarian may be a member of the Board, an employee of the Corporation, or any qualified individual from the community.
- f. The Chairperson shall serve as Chair of the Executive Committee.

### **Section 9. Vice-Chairperson**

- a. In the absence of the Chairperson, or in the event of the Chairperson's inability or refusal to act, the Vice-Chairperson shall perform all the duties of the Chairperson and, when so acting, shall have all the powers of, and be subject to all the restrictions, on the Chairperson
- b. The Vice-Chairperson shall have such other powers and perform such other duties as may be prescribed by law, the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

### **Section 10. Secretary**

- a. Certify and keep at the principal office of the Corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date.
- b. Keep at the principal office of the Corporation or at such other place as the Board of Directors may order, a book of minutes of all meetings of the Directors, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, notice thereof given, the name of those present at the meetings and the proceedings thereof.
- c. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- d. Be custodian of the records and of the seal of the Corporation and see that the seal is affixed to all duly executed documents as required or deemed desirable, the execution of which on behalf of the Corporation under its seal is authorized by law or by these Bylaws.
- e. Exhibit at all reasonable times to any Director of the Corporation, or Director's attorney on request thereof, the Bylaws and the minutes of the proceedings of the Directors of the Corporation.
- f. In general, perform all duties incident to the Office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be assigned to the Secretary from time to time by the Board of Directors.
- g. The Secretary will review minutes prepared by the recorder and sign the minutes.
- h. The Secretary will maintain a record of attendance of all Board members at all regular and special meetings of the Board.

### **Section 11. Treasurer**

The Treasurer shall:

- a. Be charged with the receipt, custody, and disbursement of all funds and securities of the Corporation and the maintenance of adequate and correct accounts of the Corporation's business transactions.
- b. Exhibit at all reasonable times the books of accounts and financial records to any Director of the Corporation, or to any Director's attorney, on request thereof.
- c. Render to the Chairperson and Directors as required, an account of any or all transactions as Treasurer and of the financial condition of the Corporation.
- d. If required by the Board of Directors, give a bond for the faithful discharge of the duties of the office in such sum and with such surety or sureties as the Board of Directors shall determine.

- e. Prepare and submit to the Board quarterly reports on the financial activities of the Corporation and such other regular reports as the Board may determine.
- f. May delegate any or all duties to the Corporation's Chief Financial Officer (except g. below).
- g. Review monthly all non-recurring expenditures at or above fifteen thousand dollars (\$15,000.00).
- h. Serve as the Chair of the Finance Committee.

#### **Section 12. President/ CEO**

The Board of Directors shall employ a President/Chief Executive Officer (who shall be known as the President/CEO) whose duties shall be to supervise and administer the affairs of the Corporation. The President/CEO shall report to, and be responsible directly to, the Board of Directors. The President/CEO shall be responsible for hiring and terminating all other employees of the Corporation and shall be responsible for carrying out all policies as set forth by the Board.

The Corporation's President/CEO shall be an ex-officio member of the Board of Directors without the right to vote upon matters before the Board of Directors, Committees and Task Forces.

The President/CEO serves at the pleasure and discretion of the Board, and will be evaluated annually by the Board of Directors with an instrument developed by the Board of Directors.

### **ARTICLE VI COMMITTEES AND TASK FORCES**

#### **Section 1. General (Composition and Terms)**

- a. The Corporation shall have such standing committees, advisory committees or task forces as shall, in the opinion of the Board, be necessary to the proper functioning of the Corporation.
- b. With the exception of the Executive Committee, all standing committees shall have not less than three (3) and not more than seven (7) voting members.
- c. All committees and task forces, with the exception of the Executive Committee, may be composed in part of persons who are not members of the Board as the Board may from time to time determine. In all cases, the Chair of each standing committee shall be a member of the Board of Directors. Chairpersons of task forces, advisory committees and working groups need not be members of the Board.
- d. Members of such committees, task forces and working groups shall be nominated by the committee Chair and ratified by the Board.
- e. The term of the Chair and members of the standing committees shall end with the election of a new Chairperson of the Board of Directors..

#### **Section 2. Executive Committee**

- a. The Executive Committee shall consist of the four (4) elected officers.
- b. The Chairperson of the Board shall be the Chair of the Executive Committee.
- c. The Board of Directors may delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except the power to adopt, amend, or repeal the Bylaws, provided that the designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of

Directors, or any individual Director, of any responsibility imposed on it or such Director by law, by the Articles of Incorporation of this Corporation, or by these Bylaws. By a majority vote of its members, the Board may at any time modify or revoke any or all of the authority so delegated, increase or decrease, but not below four (4), the number of its members, and fill vacancies therein from the members of the Board.

- d. The President/CEO must submit the minutes of each meeting held by the Executive Committee to the full Board of Directors of the Corporation at the next meeting of the Board of Directors.
- e. A majority of the members of the Executive Committee shall constitute a quorum.

### **Section 3. Finance Committee**

The Finance Committee shall have responsibility for advising and making recommendations to the Board of Directors, and implementing Board policy, in the financial management and development of the Corporation, and for reviewing and guiding accounting and audit practices of the Corporation.

Specific duties of the Committee shall include:

- a. Recommend an annual budget for Board approval.
- b. Assure adequate audit and accounting practices.
- c. Recommend and monitor Corporation investments.
- d. Report quarterly (or as often as directed) to the Board of Directors on the financial performance of the Corporation.
- e. Present resource requirements to the Board.

### **Section 4. Governance/Nominating Committee**

The Governance/Nominating Committee shall be responsible for recommending policies for the direction and control of the Corporation; for specifying the rights and responsibilities among different participants in the Corporation including the Board, management and other stakeholders; for recommending the rules and procedures for making decisions on Corporate affairs and for evaluating the effectiveness of the Board of Directors.

- a. The Governance/Nominating Committee shall have the powers and duties as specified from time to time by the Board of Directors.
- b. Duties of the Governance/Nominating Committee shall include, but not be limited to:
  - (1) Annually evaluate the Bylaws, and governing policies and documents of the organization, for adherence to best corporate governance practices and effectiveness in directing and controlling the affairs of the Corporation, and recommend to the Board of Directors needed or desired revisions to the Bylaws, policies and/or documents.
  - (2) Annually evaluate the performance of the Board against the requirements of the Bylaws and its effectiveness in promoting the mission of the Corporation.
  - (3) Recruit, nominate and orient new Directors.
  - (4) Assure racial, gender and cultural diversification of the Board.

- (5) Recommend the types and functions of Board committees.
- (6) Recommend committee assignments of Directors.
- (7) Annually review the Executive Leadership Succession Plan.
- (8) Design and implement an on-going program of Board information, education and team building.
- (9) Ensure adherence to this Corporate Ethics Policy and annually obtain signed *Code of Conduct* from each Officer and Director.

#### **Section 5. Audit Committee**

The Audit Committee shall consist of not less than three (3) and not more than five (5) members appointed by the Board of Directors, except that the Corporation's President/CEO and Treasurer may not be members of this committee. Members of the Audit Committee shall not receive any compensation from the Corporation in excess of the compensation, if any, received by members of the Board of Directors for services on the Board and shall not have a material financial interest in any entity doing business with the Corporation.

Duties of the Audit Committee shall include, but no be limited to:

- (1) Recommend to the Board of Directors the retention of an independent auditor to perform the Corporation's annual audit.
- (2) Negotiate the independent auditors' compensation on behalf of the Board.
- (3) Confer with the auditor to satisfy its members that the financial affairs of the Corporation are in order.
- (4) Review and determine whether to accept the audit.
- (5) Assure that any non-audit services performed by the auditing firm conform to standards for auditor independence.
- (6) Approve performance of non-audit services by the auditing firm.
- (7) Recommend the accepted audit to the Board of Directors for its approval.

#### **Section. 6 Ad Hoc and Advisory Committees and Working Groups**

Ad Hoc and Advisory Committees and Working Groups may be appointed for a specific purpose and with specific duties. The purpose, duties and length of assignment shall be set forth in a written charge as approved by the Board. Ad Hoc and Advisory Committees and Working Groups may develop their own working standards as long as they do not conflict with the organization's Bylaws or Articles of Incorporation. Minutes and/or written transactions of such groups shall be maintained and filed with the minutes of the Board of Directors.

### **ARTICLE VII FISCAL AFFAIRS (EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS)**

#### **Section 1. Fiscal Year**

The fiscal year of the Corporation shall be from July 1st through June 30th of each year.

## **Section 2. Execution of Instruments**

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution, authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instance. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it liable for any purpose or in any amount.

## **Section 3. Checks and Notes (Signatures)**

- a. Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, all checks, drafts, and orders for payment of money shall require one (1) signature.
- b. For the purposes of (a) above, any one (1) of the following signatures may be used (in order of preference): President/CEO, Treasurer or Chairperson.
- c. The Board of Directors may (from time to time) designate more than one (1) signature on all evidence of indebtedness.

## **Section 4. Deposits**

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, savings and loan associations, or other depositories as the Board of Directors may select.

## **Section 5. Audit**

The Board of Directors shall annually cause an audit to be conducted of the books and accounts of the Corporation by an independent firm of certified public accountants. Such audit shall summarize the Corporation's activities for the preceding year and shall include the audited financial statements as of the close of business of the Corporation's fiscal year.

# **ARTICLE VIII CORPORATE RECORDS AND REPORTS**

## **Section 1. Minutes of Meetings**

- a. The Corporation shall keep at its principal office or at such other place as the Board of Directors may order, a book of minutes of all meetings of Directors with the time and place of holding, whether regular or special, or if special, how authorized, the notice given, the names of those present and the proceedings thereof.
- b. The Corporation shall keep at its principal office a minute book and an attendance register of all committees and Working Group meetings with the time and place of holding, the appointed Chair and members, specific duties and purpose and terms of existence set forth in written charge.

## **Section 2. Books of Account**

The Corporation shall keep and maintain adequate and correct accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

**Section 3. Inspection of Records by Directors**

Every Director, or such Director's attorney at law authorized in writing, shall have the right at any reasonable time during office hours to inspect all books, books of account, records, documents of every kind, and the physical properties of the Corporation.

**Section 4. Corporate Seal**

The Board of Directors may adopt, use and at will alter, a corporate seal. Such seal, if adopted, shall be affixed to all corporate instruments when required or deemed desirable, but failure to affix it shall not affect the validity of any such instrument.

**ARTICLE IX. AMENDMENTS**

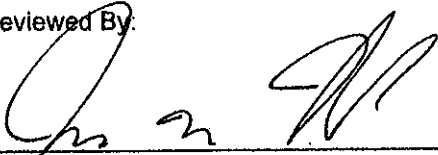
**Section 1. Effective Date**

These Bylaws were originally adopted on January 1, 1978. Significant amendments were approved on:

June 1, 1984, August 3, 1988, March 26, 1991, February 25, 1992, September 22, 1992, July 10, 1995, January 23, 1996, March 27, 1997, March 26, 1998, April 27, 2000, September 28, 2000, June 28, 2001, September 27, 2001, June 27, 2002, January 22, 2004, February 26, 2004, June 26, 2004, January 27, 2005, July 28, 2005, October 27, 2005, June 22, 2006, October 26, 2006, January 25, 2007, June 28, 2007, June 14, 2008, January 22, 2009, June 25, 2009, October 22, 2009, June 24, 2010.

**Section 2. Adoption, Amendment, Repeal by Directors**

The Board of Directors may at any special or regular meeting of the Board at which a quorum is present, by majority vote, adopt, amend or repeal these Bylaws provided that written notice of such meeting and of the proposed motion to adopt, amend or repeal a Bylaw(s) is delivered to each Director at least five (5) days prior to the date of such meeting. Such notice shall include the exact language of the Bylaw to be adopted, amended or repealed.

<b>Certification</b>
The undersigned, being the duly elected Secretary of the Corporation, hereby certifies that the foregoing Bylaws are the true and correct amended version as dated.
Reviewed By:

Secretary

**Crossroads Diversified Services, Inc.**  
**Board of Directors**  
**FY 2010**

**OFFICERS**

**Jerry Greenwell, Chair**  
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 Office Ends June 11  
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**Roger C. Franz, Vice Chair**  
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 Administrator (Ret.)  
 Premier West Bank  
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 (SD 10/99, TE 6/10: E, F, A)

**Jim Nelson, Secretary**  
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**David Levin, Treasurer**  
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 (SD 6/08, TE 6/11:A)

**Legend:**

SD = Start Date  
 TE = Term End Date  
 A = Audit Committee  
 E = Executive Committee  
 F = Finance Committee  
 G = Governance Committee