

# **FLINTRIDGE CENTER**

**(A California Nonprofit Corporation)**

## **Reviewed Financial Statements**

**Years Ended February 29, 2016 and February 28, 2015**

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**

**February 29, 2016 and February 28, 2015**

**Table of Contents**

<b>INDEPENDENT ACCOUNTANT’S REVIEW REPORT.....</b>	<b>1</b>
 <b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position.....	2
Statement of Activities Year Ended February 29, 2016.....	3
Statement of Activities Year Ended February 28, 2015.....	4
Statement of Functional Expenses Year Ended February 29, 2016.....	5
Statement of Functional Expenses Year Ended February 29, 2015.....	6
Statements of Cash Flows.....	7
<b>NOTES TO FINANCIAL STATEMENTS.....</b>	<b>8-18</b>

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Flintridge Center

We have reviewed the accompanying financial statements of Flintridge Center (a nonprofit organization) which comprise the statements of financial position of as of February 29, 2016, February 28, 2015 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Valencia, California

August 16, 2016

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Statement of Financial Position**  
**As of February 29, 2016 and February 28, 2015**

	<b>February</b>	
	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Cash and cash equivalents	\$ <b>91,003</b>	\$ 168,074
Investment securities	-	167,473
Grants receivable	<b>107,065</b>	268,737
Property, furniture, equipment and and leaseholds, net	<b>6,518,462</b>	6,631,881
Other assets	<b>47,875</b>	136,787
<b>Total assets</b>	<b>\$ 6,764,405</b>	<b>\$ 7,372,952</b>
 <b>Liabilities and Net assets</b>		
 <b>Liabilities</b>		
Accounts payable and accrued expenses	\$ <b>100,106</b>	\$ 143,293
<b>Total liabilities</b>	<b>100,106</b>	143,293
 <b>Net assets</b>		
Unrestricted net assets	<b>6,634,299</b>	7,009,659
Temporarily restricted net assets	<b>30,000</b>	220,000
<b>Total net assets</b>	<b>6,664,299</b>	7,229,659
<b>Total liabilities and net assets</b>	<b>\$ 6,764,405</b>	<b>\$ 7,372,952</b>

The accompanying independent accountant's review report and notes are an integral part of these financial statements.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Statement of Activities**  
**For the Year Ended February 29, 2016**  
**(Summarized February 28, 2015)**

	<u>Year ended February 29, 2016</u>			<u>Summarized Year Ended Feb. 28, 2015</u>
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>	<u>Total</u>
<b>Public Support and Revenue</b>				
<b>Public Support</b>				
Contributions				
Directors and employees	\$ 57,625	\$ -	\$ 57,625	\$ 82,947
Government	96,500	-	96,500	226,538
Businesses and individuals	41,034	-	41,034	99,876
Foundations	44,200	30,000	74,200	127,843
In-Kind contributions	166,443	-	166,443	227,548
<b>Total Public Support</b>	<u>405,802</u>	<u>30,000</u>	<u>435,802</u>	<u>764,752</u>
<b>Revenue</b>				
Service fees and other income	328,741	-	328,741	177,526
Rental property	285,900	-	285,900	334,544
Investment income, net	303	-	303	8,212
<b>Total Revenue</b>	<u>614,944</u>	<u>-</u>	<u>614,944</u>	<u>520,282</u>
<b>Total Public Support and Revenue</b>	1,020,746	30,000	1,050,746	1,285,034
<b>Net assets released from program restrictions</b>	<u>220,000</u>	<u>(220,000)</u>	<u>-</u>	<u>-</u>
<b>Total Public Support and Revenue after Net Assets Released from Restrictions</b>	<u>1,240,746</u>	<u>(190,000)</u>	<u>1,050,746</u>	<u>1,285,034</u>
<b>Functional expenses</b>				
Program expenses	1,062,129	-	1,062,129	1,348,182
<i>Support Services:</i>				
Management and administrative	176,660	-	176,660	224,669
Fund raising	13,175	-	13,175	120,447
	<u>1,251,964</u>	<u>-</u>	<u>1,251,964</u>	<u>1,693,298</u>
Rental property	364,142	-	364,142	369,729
<b>Total expenses</b>	<u>1,616,106</u>	<u>-</u>	<u>1,616,106</u>	<u>2,063,027</u>
<b>Decrease in net assets</b>	(375,360)	(190,000)	(565,360)	(777,993)
Net assets, beginning of year	<u>7,009,659</u>	<u>220,000</u>	<u>7,229,659</u>	<u>8,007,652</u>
<b>Net assets, end of year</b>	<u>\$ 6,634,299</u>	<u>\$ 30,000</u>	<u>\$ 6,664,299</u>	<u>\$ 7,229,659</u>

The accompanying independent accountant's review report and notes are an integral part of these financial statements.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Statement of Activities**  
**For the Year Ended February 28, 2015**

	Year ended February 28, 2015		
	Unrestricted	Temporarily restricted	Total
<b>Public Support and Revenue</b>			
<b>Public Support</b>			
Contributions			
Directors and employees	82,947		82,947
Government	226,538		226,538
Businesses and individuals	99,876		99,876
Foundations	87,843	40,000	127,843
In-Kind contributions	227,548		227,548
<b>Total Public Support</b>	724,752	40,000	764,752
<b>Revenue</b>			
Service fees and other income	177,526	-	177,526
Rental property	334,544		334,544
Investment income, net	8,212	-	8,212
<b>Total Revenue</b>	520,282	-	520,282
<b>Total Public Support and Revenue</b>	1,245,034	40,000	1,285,034
Net assets released from program <b>restrictions</b>	407,219	(407,219)	-
<b>Total revenues</b>	1,652,253	(367,219)	1,285,034
<b>Functional expenses</b>			
<b>Program expenses</b>	1,348,182	-	1,348,182
<b>Support Services:</b>			
<b>Management and administrative</b>	224,669	-	224,669
Fund raising	120,447	-	120,447
	1,693,298	-	1,693,298
Rental property	369,729		369,729
<b>Total expenses</b>	2,063,027	-	2,063,027
Decrease in net assets	(410,774)	(367,219)	(777,993)
<b>Net assets, beginning of year</b>	7,420,433	587,219	8,007,652
<b>Net assets, end of year</b>	\$ 7,009,659	\$ 220,000	\$ 7,229,659

The accompanying independent accountant's review report and notes are an integral part of these financial statements.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Statement of Functional Expenses**  
**Year Ended February 29, 2016**  
**(Summarized Year Ended February 28, 2015)**

	<i>Support Services</i>		<i>Programs</i>				<b>Summarized</b>		
	<b>Fundraising</b>	<b>Mgt. &amp; Adm.</b>	<b>Apprentice Prep</b>	<b>Intervention &amp; Reintegration</b>	<b>Mentoring</b>	<b>Other Programs*</b>	<b>Total Programs</b>	<b>Total Functional</b>	<b>Total Func 2/28/15</b>
Staff**	\$12,338	\$107,445	\$225,457	\$200,517	\$200,591	\$66,659	\$693,224	<b>\$813,007</b>	\$1,222,796
Fee for Services	-	17,391	6,592	207,213	40,569	-	254,374	<b>271,765</b>	273,495
Advertising & Promotion	-	-	-	137	-	-	137	<b>137</b>	11,266
Office	-	32,656	7,304	2,156	768	-	10,228	<b>42,884</b>	34,223
Information Technology	-	810	-	-	-	-	-	<b>810</b>	744
Occupancy**	-	728	18,000	-	-	-	18,000	<b>18,728</b>	37,712
Conferences & Travel	-	364	13,115	1,982	2,910	184	18,191	<b>18,555</b>	31,463
Meetings & Convenings	-	1,542	4,681	4,134	3,038	168	12,021	<b>13,563</b>	15,330
Program/Training & Other**	837	15,217	25,036	7,206	15,405	266	47,913	<b>63,967</b>	65,671
Grants & Fiscal Sponsor	-	-	41	4,000	-	4,000	8,041	<b>8,041</b>	426
Taxes	-	507	-	-	-	-	-	<b>507</b>	172
<b>TOTAL</b>	<b>\$ 13,175</b>	<b>\$ 176,660</b>	<b>\$ 300,226</b>	<b>\$ 427,345</b>	<b>\$ 263,281</b>	<b>\$ 71,277</b>	<b>\$1,062,129</b>	<b>\$ 1,251,964</b>	<b>\$1,693,298</b>

**\* Other programs**

*Includes the Skillz and 20/20 programs.*

**\*\*Expense includes non cash expenses / in-kind transactions. Refer to Note 4 for amounts.**

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**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Statement of Functional Expenses**  
**Year Ended February 28, 2015**

	<i>Support Services</i>		<i>Programs</i>					<b>Total Programs</b>	<b>Total Functional</b>
	<b>Fundraising</b>	<b>Mgt. &amp; Adm.</b>	<b>Apprentice Prep</b>	<b>Intervention &amp; Reintegration</b>	<b>Mentoring</b>	<b>Other Programs*</b>			
Staff**	\$107,713	\$152,794	\$327,729	\$346,672	\$199,023	\$88,865	\$962,289	\$1,222,796	
Fee for Services	644	30,083	3,474	119,069	119,945	280	242,768	273,495	
Advertising & Promotion	1,724	-	4,051	3,051	2,380	60	9,542	11,266	
Office	1,738	18,758	5,586	6,024	1,361	756	13,727	34,223	
Information Technology	630	114	-	-	-	-	-	744	
Occupancy**	-	4,712	33,000	-	-	-	33,000	37,712	
Conferences & Travel	1,099	2,159	14,771	6,697	3,394	3,343	28,205	31,463	
Meetings & Convenings	1,873	1,694	5,952	3,160	2,550	101	11,763	15,330	
Program/Training & Other**	5,026	14,183	15,873	12,564	16,063	1,962	46,462	65,671	
Grants to Organizations	-	-	325	-	101	-	426	426	
Taxes	-	172	-	-	-	-	-	172	
<b>TOTAL</b>	<b>\$ 120,447</b>	<b>\$ 224,669</b>	<b>\$ 410,761</b>	<b>\$ 497,237</b>	<b>\$ 344,817</b>	<b>\$ 95,367</b>	<b>\$1,348,182</b>	<b>\$ 1,693,298</b>	

**\* Other programs**

*Includes the Skillz and 20/20 programs.*

**\*\*Expense includes non cash expenses / in-kind transactions. Refer to Note 4 for amounts.**

The accompanying independent accountant's review report and notes are an integral part of these financial statements.



**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Statements of Cash Flows**  
**For the Years Ended February 29, 2016 and February 28, 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (565,360)	\$ (777,993)
<i>Adjustments for non cash transactions</i>		
Depreciation and amortization	113,420	121,829
Unrealized loss on investment securities	-	7,219
<i>Adjustments to reconcile increase in unrestricted net assets to net cash used by operating activities:</i>		
(Increase) decrease in:		
Grants receivable	161,672	317,650
Receivable from Flintridge Foundation		
Other assets	88,912	(66,850)
Increase (decrease) in:		
Accounts payable and accrued expenses	(43,187)	373
Grants payable		
<b>Net Cash Used by Operating Activities</b>	<u>(244,543)</u>	<u>(397,772)</u>
<b>Cash Flows From Financing Activities</b>		
Investment securities sold	<u>167,472</u>	<u>161,620</u>
<b>Net Cash From Financing Activities</b>	<u>167,472</u>	<u>161,620</u>
<b>Net decrease in cash</b>	<u>(77,071)</u>	<u>(236,152)</u>
<i>Cash, beginning of year</i>	<u>168,074</u>	<u>404,226</u>
<b>Cash, end of year</b>	<u>\$ 91,003</u>	<u>\$ 168,074</u>

The accompanying independent accountant's review report and notes are an integral part of these financial statements.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 1: ACTIVITIES**

**Nature of Activities:**

The Flintridge Foundation (“FF”) was created through the estates of Francis and Louisa Moseley in 1985. Historically, the Flintridge Foundation provided grants to assist nonprofit organizations and visual artists in a tri-state area, as well as offering direct services to build the capacity of nonprofit organizations serving children and families in Northwest Pasadena and Altadena. By design, the Flintridge Foundation concluded its grant making programs in 2007 and expended the majority of its assets. At that same time, the Flintridge Foundation Board decided to form a new entity that would focus specifically on continuing and also broadening programmatic services to address the ongoing needs of under-served families in Northwest Pasadena and West Altadena. On December 11, 2007 the Flintridge Center (“CENTER”) F/K/A Flintridge Operating Foundation (a Nonprofit Public Benefit Corporation) was incorporated for this purpose under the Laws of the State of California.

In 2008, Flintridge Foundation gave a \$7.3 million grant to CENTER to provide operational support to sustain the new nonprofit organization while it developed its fund raising capacity and increased its base of contributors (Note 7).

Apprenticeship Preparation CENTER provides an **Apprenticeship Preparation Program (“APP”)** to prepare about 100 previously incarcerated community members per year for careers in the construction trades. The program is offered with support from the LA/Orange County Building and Construction Trades Council AFL-CIO. This comprehensive 240-hour program includes the Multi-Craft Core Curriculum developed by the AFL-CIO, life skills workshops with 2<sup>nd</sup> Call, financial literacy sessions with the retired President of the Pasadena Federal Credit Union, career development and hands-on training.

**Career Preparation Program** to prepare approximately 250 previously incarcerated community members per year for jobs and careers. The program involves life skills workshops with 2<sup>nd</sup> Call, employment development, and on-going individual job coaching.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 1: ACTIVITIES**

**Nature of Activities (Continued):**

*Skillz* is a summer program for high school students which offers educational and enrichment activities. CENTER coordinates **SKILLZ Summer School** with community partners to provide opportunities for youth at risk of dropping out of school to develop life skills and math skills over the summer in a safe, nurturing environment. The program serves between 50 and 100 youth per year.

*Reintegration* program provides a safety net of services for community members returning from incarceration. CENTER helped launch and coordinates this program. Center provides direct services with the aim of uplifting people affected by violence and incarceration, thus reducing recidivism, stopping violence, and healing communities. This work requires a whole community working together, and all of our programs rely on collaboration with many community partners. Center coordinates **PACT Resource Fairs** once a month. The fairs are a community effort and bring together dozens of service providers to connect hundreds of community members per year to reintegration services. CENTER staff and volunteers follow up with each attendee to offer case management and systems navigation services to help community members successfully reintegrate back into the community. CENTER provide **Systems Navigation** services to hundreds of community members per year to help them identify and access the services they need to successfully reintegrate back into the community. CENTER also provides **Case Management** services to over 100 community members each year. Services include developing personal plans and weekly support from our Case Manager to assist community members in achieving their goals. In addition, CENTER hosts **Life Skills** once a week. 2<sup>nd</sup> Call facilitates the sessions, using their curriculum designed to help community members identify and understand sources of anger and pain and ultimately make better life choices. Open to the public, Life Skills serves approximately 150 community members per year. Center coordinates **Record Change Clinics** and **Ticket Amnesty Clinics** so that community members may reduce qualifying felonies to misdemeanors and expunge misdemeanors under Prop 47, as well as reduce amounts owed on tickets and regain driver's licenses, thus removing barriers to housing, employment and public benefits. Volunteer attorneys from the LA Incubator Consortium assist over 200 hundred community members per year during these workshops.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 1: ACTIVITIES**

**Nature of Activities (Continued):**

*Youth of Promise & Pasadena Mentoring Partners (“YOP”)* The **Youth of Promise Program** is for youth involved in the juvenile justice system or at high risk of tipping into the system. This youth development program offers mentoring, academic support, community service experience, life skills, and family engagement to approximately 60 youth and their families per year. The Pasadena Police and Fire Departments participate by volunteering as mentors. YOP also includes **Know Your Rights Trainings** to help community youth and young adults understand their rights and responsibilities when interacting with law enforcement, keeping them safe and increasing trust between police officers and community members. APP offers trainings based on the ACLU curriculum and facilitated by volunteer attorneys to approximately 300 community members per year.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statements Presentation:**

CENTER is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

*Unrestricted net assets* - Unrestricted net assets represent net assets that are not subject to donor-imposed restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

*Temporarily restricted net assets* - Temporarily restricted net assets are assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are transferred to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. CENTER had \$30,000 in temporarily restricted net assets for strategic planning consulting at February 29, 2016 and \$220,000 of other restricted contributions at February 28, 2015 (See note 5).

*Permanently restricted net assets* - Permanently restricted net assets are subject to donor-imposed restrictions that will not terminate. Funds are held in perpetuity while the income is available for general use.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Permanently restricted net assets (Continued)* - Permanently restricted net assets also reflect the Organization's beneficial interest in various irrevocable trusts. CENTER had no permanently restricted net assets at February 29, 2016 and February 28, 2015.

**Estimates:**

The process of preparing financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions regarding disclosures and amounts of certain reported amounts and disclosures. Accordingly, actual results may differ from estimated amounts.

**Cash and Cash Equivalents:**

Cash and cash equivalents include all highly liquid investments available for current use with a maturity of three months or less. For the purposes of the Statement of Cash Flows, CENTER considers all certificates of deposit accounts and highly liquid money market accounts to be cash equivalents.

**Grants Receivable:**

Grants receivable are recorded when billed or accrued and represent claims against third-parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical knowledge of the grantor or agency. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due.

**Income Taxes:**

CENTER is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for income taxes in these financial statements. In 2010, CENTER notified the Internal Revenue Service that effective March 1, 2010 it intends to operate as a public charity. The CENTER's tax returns for the years ending February, 2016, 2015 and 2014 and 2013 for state taxes are subject to examination by federal and state taxing authorities.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Allocation of Expenses:**

Costs of providing program services have been presented in the Statement of Functional Expenses. During the year, costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

**In-Kind Donations Received (Note 4):**

Contributions of donated assets are recorded at fair value in the period received. This value is considered “cost” for donated investment securities and fixed assets.

Donated space is recognized based on the average rents paid by the other tenants at the donated premises. If the later methodology cannot be utilized in-kind rent is recognized based on the estimated market rent rate for similar facilities.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CENTER.

**Property, Furniture, Equipment and Leaseholds:**

Property, furniture, equipment and leaseholds are stated at cost or fair value at date of donation. Additions and betterments greater than \$5,000 are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**NOTE 3: PROPERTY, FURNITURE, EQUIPMENT and LEASEHOLDS**

Fixed assets are recorded at cost and are being depreciated over their useful lives. The building and improvements is depreciated over 39 years and the other furniture, equipment over 5 to 10 years using the straight-line method of depreciation/amortization.

**FLINTRIDGE CENTER**  
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**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 3: PROPERTY, FURNITURE, EQUIPMENT and LEASEHOLDS**  
**(Continued)**

Property, furniture, equipment and leaseholds at February 29, 2016 and February 28, 2015 consisted of the following:

	<b>2016</b>	<b>2015</b>
Land	\$ <b>2,923,792</b>	\$ 2,923,792
Building and improvements	<b>3,876,208</b>	3,876,208
Property	<b>6,800,000</b>	6,800,000
Furniture and equipment	<b>31,732</b>	95,729
Leasehold improvements	<b>41,524</b>	41,524
Software	<b>46,547</b>	46,547
Total cost	<b>6,919,803</b>	6,983,800
Less: Accumulated depreciation / amort.	<b>401,341</b>	351,919
	<b>\$ 6,518,462</b>	<b>\$ 6,631,881</b>

Depreciation expense for the years ended February 29, 2016 and February 28, 2015 was \$113,420 and \$121,829, respectively.

**NOTE 4: IN-KIND TRANSACTIONS:**

During the year ended February 29, 2016 CENTER recognized in-kind contributions and services as revenue and also as charges to the following expenses:

	In-kind portion	Total functional expense
Staff	\$ <b>141,387</b>	\$ <b>813,007</b>
Occupancy	<b>18,000</b>	<b>18,728</b>
Program/Training & other	<b>6,241</b>	<b>63,967</b>
Total in-kind expenses	<b>\$ 165,628</b>	

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 4: IN-KIND TRANSACTIONS (CONTINUED):**

During the year ended February 28, 2015 CENTER recognized in-kind contributions and services as revenue and also as charges to the following expenses:

	In-kind portion	Total functional expense
Staff	\$ 184,704	\$ 1,222,796
Occupancy	33,000	37,712
Program/Training & other	9,844	65,671
Total in-kind expenses	\$ 227,548	

**NOTE 5: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of February 29, 2016 was comprised entirely of a grant award to fund future strategic planning. The activity in grant awards with temporary restrictions were as follows for the year ended February 29, 2016:

Year ended February 29, 2016	Grant Amount	
Grantor	Award	Released
Ahead & Skillz	\$	\$ 40,000
CalGRIP	-	180,000
California Endowment	30,000	-
	\$ 30,000	\$ 220,000

Temporarily restricted net assets (See Note 2) consisted of cash as of February 29, 2016 and was comprised of the following grant:

California Endowment	\$ 30,000
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**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 5: TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

Temporarily restricted net assets as of February 28, 2015 was comprised entirely of grant awards with particular program restrictions. The activity in grant awards with temporary restrictions were as follows for the year ended February 28, 2015:

Year ended February 28, 2015 Grantor	Grant Amount	
	Award	Released
Ahmanson Foundation	\$ -	\$ 63,000
Ahead & Skillz	40,000	-
CalGRIP	-	176,420
City of Pasadena – V.P.I.	-	74,999
Dwight Stuart Youth Foundation	-	32,800
Pasadena Child Health	-	45,000
The Patron Saints Foundation	-	15,000
	<u>\$ 40,000</u>	<u>\$ 407,219</u>

Temporarily restricted net assets (See Note 2) consisted of cash and grants receivable as of February 28, 2015 and were comprised of the following grants:

CalGRIP [ <i>Contract #3</i> ]	\$ 180,000
Ahead & Skillz	40,000
	<u>\$ 220,000</u>

**NOTE 6: RENTAL PROPERTY INCOME**

During the year ended February 29, 2016 CENTER realized rental revenues of \$285,900 while incurring costs of \$364,142 which included \$102,656 in depreciation. During the year ended February 28, 2015 CENTER realized rental revenues of \$334,544 while incurring costs of \$369,729 which included \$121,829 in depreciation.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 6: RENTAL PROPERTY INCOME (CONTINUED)**

Real property costs for the years ended February 29, 2016 and February 28, 2015, respectively was comprised of the following:

	<u>2016</u>	<u>2015</u>
Depreciation	\$ <b>102,656</b>	\$ 121,829
Real estate taxes	<b>63,613</b>	45,671
Utilities	<b>36,895</b>	44,182
Management fee	<b>35,109</b>	29,635
Repairs and maintenance	<b>35,193</b>	32,648
Insurance	<b>31,928</b>	30,819
Cleaning and janitorial	<b>32,626</b>	33,504
Landscaping	<b>19,847</b>	19,409
Security and other services	<b>4,068</b>	3,817
Other	<b>2,207</b>	8,215
Total rental property costs	\$ <b><u>364,142</u></b>	\$ <u>369,729</u>

**NOTE 7: RELATED PARTY TRANSACTIONS**

CENTER engaged a property management company owned by the Foundation's President. That company was selected because (1) the commercial real estate management and leasing company specializes in commercial real estate in Northwest Pasadena/Altadena; (2) the company is proactive and visits the site daily; (3) the company offered a special non-profit rate, with no broker's leasing fee. During the years ended February 29, 2016 and February 28, 2015, the management fees were approximately \$35,000 and \$30,000, respectively.

**NOTE 8: INVESTMENT SECURITIES**

Level 1

Quoted prices in active markets for identical assets or liabilities.

Level 2

Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 3: INVESTMENT SECURITIES (Continued)**

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At each reporting period, we perform a detailed analysis of our assets and liabilities that are measured at fair value.

CENTER has segregated all its financial assets that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the table below. CENTER has no financial and non-financial liabilities and non-financial assets that are measured at fair value.

As of February 29, 2016 the financial assets had been entirely sold. As of February 28, 2015, financial assets subject to fair value measurements were all comprised of Level 1 inputs as follows:

Cash Equivalents imbedded in mutual funds	\$	35,721
<i>Mutual Funds:</i>		
United State equities		31,391
Non United State equities		16,244
Fixed income		80,586
Non-classified		3,531
<b>TOTAL</b>	<b>\$</b>	<b><u>167,473</u></b>

**FLINTRIDGE CENTER**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**For the Years Ended February 29, 2016 and February 28, 2015**

**NOTE 9: SUBSEQUENT EVENTS**

CENTER has evaluated events subsequent to February 29, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 16, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.