



Gary McGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS



**SERENDIPITY
CENTER INC.**

helping the pieces fit

Financial Statements and Other Information as of and for the Year
Ended June 30, 2022 and Report of Independent Accountants

SERENDIPITY CENTER, INC.

TABLE OF CONTENTS

	Page
Report of Independent Accountants	3
Financial Statements:	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9
Other Information:	
Board of Directors and Management	16
Inquiries and Other Information	17

REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
Serendipity Center, Inc.:*

Opinion

We have audited the accompanying financial statements of Serendipity Center, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Serendipity Center, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Serendipity Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Serendipity Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

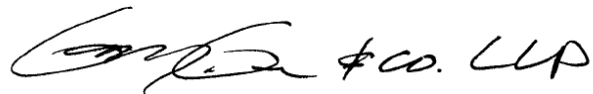
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Serendipity Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Serendipity Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Summarized Comparative Information

We have previously audited Serendipity Center, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 6, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



October 19, 2022

SERENDIPITY CENTER, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(WITH COMPARATIVE AMOUNTS FOR 2021)

	2022	2021
<hr/>		
Assets:		
Cash and cash equivalents	\$ 1,881,958	2,278,768
Accounts receivable <i>(note 4)</i>	588,716	523,095
Contributions and grants receivable <i>(note 5)</i>	749,251	1,015,945
Prepaid expenses	216,464	191,294
Property and equipment <i>(note 6)</i>	2,702,802	2,798,381
<hr/>		
Total assets	\$ 6,139,191	6,807,483
<hr/>		
Liabilities:		
Accounts payable and accrued expenses	67,841	118,291
Accrued payroll and related expenses	394,957	380,438
Grant advances	22,000	-
<hr/>		
Total liabilities	484,798	498,729
<hr/>		
Net assets:		
Without donor restrictions:		
Available for programs and general operations	2,605,573	3,272,603
Net investment in capital assets	2,702,802	2,798,381
<hr/>		
Total without donor restrictions	5,308,375	6,070,984
With donor restrictions <i>(note 8)</i>	346,018	237,770
<hr/>		
Total net assets	5,654,393	6,308,754
<hr/>		
Commitments and contingencies <i>(notes 5, 12, 13, 14, and 16)</i>		
Total liabilities and net assets	\$ 6,139,191	6,807,483
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See accompanying notes to financial statements.

SERENDIPITY CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022		Total	2021
	Without donor restrictions	With donor restrictions		
Revenues, gains, and other support:				
Tuition revenue	\$ 4,695,188	–	4,695,188	5,404,263
Contributions and grants	444,047	145,941	589,988	392,253
In-kind contributions	20,886	–	20,886	22,035
Food service and student supplies	54,688	–	54,688	8,720
Paycheck Protection Program loan forgiveness (<i>note 7</i>)	–	–	–	1,064,779
CARES Act Employee Retention Credit (<i>note 9</i>)	538,760	–	538,760	1,355,317
Other income	9,802	–	9,802	54,406
Total revenues and gains	5,763,371	145,941	5,909,312	8,301,773
Net assets released from restrictions (<i>note 10</i>)	37,693	(37,693)	–	–
Total revenues, gains, and other support	5,801,064	108,248	5,909,312	8,301,773
Expenses (<i>note 11</i>):				
Program services	5,458,820	–	5,458,820	6,141,804
Management and general	804,919	–	804,919	691,921
Fundraising	299,934	–	299,934	242,185
Total expenses	6,563,673	–	6,563,673	7,075,910
Increase (decrease) in net assets	(762,609)	108,248	(654,361)	1,225,863
Net assets at beginning of year	6,070,984	237,770	6,308,754	5,082,891
Net assets at end of year	\$ 5,308,375	346,018	5,654,393	6,308,754

See accompanying notes to financial statements.

SERENDIPITY CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022				2021
	Program services	Management and general	Fundraising	Total	
Salaries and related expenses	\$ 4,420,609	572,079	208,029	5,200,717	5,682,791
Contracted services	184,877	61,855	38,278	285,010	345,039
Student services	57,455	—	—	57,455	46,191
Occupancy	226,594	29,324	10,663	266,581	257,100
Insurance	140,793	18,220	6,626	165,639	172,916
Support services	109,491	45,383	1,223	156,097	208,516
Food service costs	34,150	4,419	1,607	40,176	17,599
Equipment rental and maintenance	28,324	3,665	1,333	33,322	45,118
Telephone	21,074	1,915	742	23,731	23,253
Printing and postage	4,600	481	5,529	10,610	21,282
Dues and subscriptions	7,176	3,586	—	10,762	10,466
Conferences and training	18,960	3,721	—	22,681	18,747
Marketing and advertising	31,857	31,858	17,779	81,494	32,796
Transportation	198	2,247	—	2,445	4,131
Interest expense	—	—	—	—	9,573
Other	—	3,821	—	3,821	1,892
Total expenses before depreciation and amortization	5,286,158	782,574	291,809	6,360,541	6,897,410
Depreciation and amortization	172,662	22,345	8,125	203,132	178,500
Total expenses	\$ 5,458,820	804,919	299,934	6,563,673	7,075,910

See accompanying notes to financial statements.

SERENDIPITY CENTER, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
Cash flows from operating activities:		
Cash received from contract service fees and other sources	\$ 4,694,057	6,259,844
Cash received from donors and grantors	1,409,002	773,375
Cash paid to suppliers, employees, and others	(6,400,756)	(6,859,403)
Cash paid for interest	-	(9,573)
Net cash (used in) provided by operating activities	(297,697)	164,243
Cash flows from investing activities:		
Capital expenditures	(107,553)	(109,471)
Net cash used in investing activities	(107,553)	(109,471)
Cash flows from financing activities:		
Principal payments on note payable	-	(130,547)
Contributions restricted for capital acquisitions	8,440	64,950
Net cash provided by (used in) financing activities	8,440	(65,597)
Decrease in cash and cash equivalents	(396,810)	(10,825)
Cash and cash equivalents at beginning of year	2,278,768	2,289,593
Cash and cash equivalents at end of year	\$ 1,881,958	2,278,768
Supplemental schedule of noncash financing activities:		
Paycheck Protection Program loan forgiveness (<i>note 7</i>)	\$ -	1,064,779

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

1. Organization

With the goal to help at-risk children who were failing within the traditional public school system and a belief that all young people are capable of learning, recovering and contributing, Serendipity Center, Inc. opened in 1979.

A non-profit corporation incorporated under the laws of the State of Oregon, Serendipity has grown to serve over 20 school districts. Serendipity remains the oldest therapeutic school in the Portland metropolitan area, and is the only program in Oregon designated as a Special Education School of Excellence by the National Association of Special Education Teachers. By providing a nurturing structure and individualized instruction for students who face challenges related to trauma and/or neuro-cognitive development, Serendipity continues to provide a safe learning environment where their emotional, behavioral, and academic needs are met. Serendipity's mission speaks to its commitment to excellence: "Provide the best environment for our students to heal and become educated, productive community members."

During the year ended June 30, 2022, Serendipity served 88 students who were referred by school districts from Clackamas, Multnomah, Washington, and Clark counties.

2. Recently-Issued Accounting Standard

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a liability and right of use asset for all leases with terms longer than 12 months. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. The new standard is effective for the Serendipity's annual reporting period ending June 30, 2023.

A modified retrospective transition approach is required for lessees for leases at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, or as of the effective date of adoption, with certain practical expedients available. Serendipity is currently evaluating the impact of the pending adoption of the new standard on its financial statements.

3. Summary of Significant Accounting Policies

The significant accounting policies followed by Serendipity are described in paragraphs that follow to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, Serendipity's net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor-imposed stipulations.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of Serendipity and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

Cash Equivalents – For purposes of the financial statements, Serendipity considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Capital Assets and Depreciation – Property and equipment are carried at cost, and initially measured at fair value when acquired by gift. Capital assets having a unit cost exceeding \$1,000 and an estimated useful life of more than one year are capitalized. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the respective assets, generally 30 years for buildings, 10 to 30 years for related improvements, and 3 to 10 years for furniture and equipment.

Serendipity periodically reviews the carrying amount of its capital assets whenever events or circumstances provide evidence that suggest that the carrying amount may not be recoverable. As of June 30, 2022, Serendipity does not believe there is any indication that the carrying value of its capital assets has been impaired during the year ended June 30, 2022.

Revenue Recognition – With regard to revenues from grants and contracts, Serendipity evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, Serendipity recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.

Serendipity's exchange transactions for the year ended June 30, 2022 include tuition revenue received from various School district which is recognized ratably over the length of the school year.

Food service and sale of materials are recognized at the time of delivery of the services or materials.

- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, Serendipity evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.
- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor’s commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in subsequent years in the appropriate net asset class.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. Promises to give are written off when deemed uncollectible.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets restricted to the acquisition of capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets, in accordance with donor intent.

In-Kind Contributions – A number of unpaid volunteers have made significant contributions of their time to develop and implement the Serendipity’s programs. Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or

require specialized skills that Serendipity would have purchased if not donated are recognized in the statement of activities. During the year ended June 30, 2022, Serendipity recorded \$20,886 in donated legal and marketing professional services. These contributed services are used for both program and management and general services and are reported at fair value based on market rate charged by the donor for similar services.

In-kind contributions of land, buildings, equipment, and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of Serendipity’s activities. During the year ended June 30, 2022, no contributed land, buildings, equipment, or other materials were recorded.

Marketing and Advertising Expenses – Marketing and advertising costs are charged to expenses as they are incurred.

Concentrations of Credit Risk – Serendipity’s financial instruments consist primarily of cash equivalents which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”).

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. At June 30, 2022, Serendipity held \$1,513,549 in cash balances in excess of FDIC-insured levels.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, Serendipity’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Income Taxes – Serendipity is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and derives its public charity status as an organization described in Sections 170(b)(1)(A)(ii) and 509(a)(1) of the Internal Revenue Code.

Subsequent Events – Subsequent events have been evaluated by management through October 19, 2022, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2021 – The accompanying financial information as of and for the year ended June 30, 2021 are presented for comparative purposes only and are not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

4. Accounts Receivable

Accounts receivable are summarized as follows at June 30, 2022:

Tuition fees	\$ 579,421
Food service fees	9,295
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	\$ 588,716

5. Contribution and Grants Receivable

Contributions and grants receivable at June 30, 2022 consist of unconditional promises totaling \$749,251 expected to be collected in less than one year, as follows:

CARES Act Employee Retention Credit (note 9)	\$ 649,251
Foundation grant	100,000
	<hr/>
	\$ 749,251

Conditional Grants

In addition, at June 30, 2022, Serendipity had been awarded a government grant totaling \$40,434 conditioned upon the occurrence of allowable expenditures. This grant has not been reflected in the accompanying financial statements because the associated conditions had not yet been satisfied at June 30, 2022.

6. Property and Equipment

A summary of property and equipment at June 30, 2022 is as follows:

Land	\$ 535,331
Buildings and related improvements	4,564,243
Furniture and equipment	863,750
	<hr/>
	5,963,324
Less accumulated depreciation and amortization	(3,260,522)
	<hr/>
	\$ 2,702,802

7. Paycheck Protection Program Loan

On April 18, 2020, Serendipity obtained an unsecured loan from a commercial bank in the amount of \$1,064,779, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loan, guaranteed by the Small Business Administration (“SBA”), was designed to provide a direct incentive for organizations and other small businesses and nonprofits to keep their employees on payroll during the COVID-19 pandemic. The SBA promised to forgive the loan if the funds were used for payroll, rent, mortgage interest, and/or utilities, and certain other conditions were met.

In accordance with the provisions of the PPP and SBA’s promise of forgiveness, Serendipity used the entire amount of the loan for qualifying expenses and obtained full forgiveness of the loan during the year ended June 30, 2021.

8. Net Assets with Donor Restrictions

The following summarizes Serendipity's net assets with donor-imposed restrictions as of June 30, 2022:

Believe in Me capital	
campaign funds	\$ 238,340
Scholarships	5,613
Staff support fund	2,065
Future period	100,000
	<hr/>
	\$ 346,018

9. CARES Act Employee Retention Credit

During the year ended June 30, 2022, Serendipity claimed an employee retention credit pursuant to the CARES Act and the American Rescue Plan Act which were enacted to encourage businesses to keep employees on their payroll during the COVID-19 crisis.

The credit covers 70% of qualified wages up to \$10,000 limit per employee per quarter. The credit is applied against the organization's share of social security taxes under Section 3111(a) of the Internal Revenue Code and is fully refundable for the amount of the credit in excess of taxes owed.

During the year ended June 30, 2022, Serendipity accrued and recorded \$538,760 in Employee Retention Credit revenue.

10. Net Assets Released from Restrictions

During the year ended June 30, 2022, Serendipity incurred \$37,693 in satisfaction of the restricted purposes specified by donors, or satisfied the restrictions by the occurrence of other events. Accordingly, a corresponding amount is reported as a reclassification from net assets with donor restrictions to net assets without donor restrictions in the accompanying financial statements.

11. Expenses

The costs of providing the various programs and activities of Serendipity have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization and, therefore, require allocation on a reasonable basis that is consistently applied. Those expenses include salaries and wages, benefits, payroll taxes, as well depreciation and amortization, and other facility-related costs, contracted services, office expenses, interest, insurance, and other expenses, which are allocated on the basis of estimates to the activities that have most directly benefited.

12. Operating Lease Commitments

Serendipity leases certain property and office equipment under non-cancelable operating leases that expire in various years through June 2029. At June 30, 2022, the approximate minimum lease commitments under these leases are as follows:

<i>Years ending June 30,</i>	
2023	\$ 58,830
2024	25,054
2025	22,284
2026	22,618
2027	22,618
Thereafter	45,954
	<hr/>
	\$ 197,358

Lease expense for the year ended June 30, 2022 totaled \$97,359.

13. Retirement Plan

Serendipity maintains a defined contribution retirement plan for its eligible employees, as described under Section 403(b) of the Internal Revenue Code. Employees scheduled to work more than 20 hours a week are eligible to participate in the plan on the first day of employment. Serendipity's plan includes auto-enrollment and auto-increase features. Initial enrollment specifies a 2% contribution level, and annual auto-increases call for 1% increases in contributions starting in the third year of enrollment, with a cap once 6% is reached. Serendipity makes a yearly discretionary match of 4%. The employer's matching contributions to the plan vest after 1,000 hours of service. Serendipity's contributions to the plan totaled \$115,357 for the year ended June 30, 2022.

14. Self-Insured Unemployment Coverage

Serendipity is self-insured for unemployment claims under a plan managed by a third-party administrator. Annually, the administrator determines Serendipity's required contributions to the plan to pay future unemployment claims as they arise and reach a predetermined reserve level. Contributions are reported as insurance costs, even though substantial portions are used to build the reserve. As such, the reserve is not recorded as an asset of Serendipity, and the amount of the estimated liability for unemployment insurance is not recorded as a liability because management expects that the amount will be permanently on deposit, and the balances are not considered excessive to meet Serendipity's responsibility under unemployment law and regulations.

At June 30, 2022, Serendipity's unemployment reserve totaled \$13,534. During the year ended June 30, 2022, Serendipity made contributions totaling \$18,381 and paid \$1,615 in benefits.

15. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at June 30, 2022:

<i>Total financial assets available to fund general operations:</i>	
Cash and cash equivalents	\$ 1,881,958
Accounts receivable	588,716
Contributions and grants receivable	749,251
	<hr/>
	3,219,925
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<i>Less financial assets not available within the year ending June 30, 2023:</i>	
Financial assets restricted by donors for capital acquisition	(238,340)
	<hr/>
	\$ 2,981,585

As part of its liquidity management, Serendipity has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

16. Coronavirus Pandemic

COVID-19 forced Serendipity Center to move to a distance learning and virtual mental health model in 2020. There was a slowing of referrals and a resulting decrease in enrollment, as well as impacts on donors' abilities to continue their anticipated level of financial support to the organization. Because of these events and resulting loss of revenue, the Board pre-approved a net financial loss for the purpose of rebuilding enrollment after a year-long interruption of in-person learning.

Serendipity continues to take measures to adapt the delivery of its programming to maximize the safety of students and employees. It remains a priority that services are provided to children in need and that the mission is executed.

17. Reconciliation of Statement of Cash Flows

The following presents a reconciliation of the decrease in net assets (as reported on the statement of activities) to net cash used in operating activities (as reported on the statement of cash flows):

Decrease in net assets	\$ (654,361)
<hr/>	
<i>Adjustments to reconcile decrease in net assets to net cash used in operating activities:</i>	
Depreciation and amortization	203,132
Contributions restricted for capital acquisitions	(8,440)
<i>Net changes in:</i>	
Accounts receivable	(65,621)
Contributions and grants receivable	266,694
Prepaid expenses	(25,170)
Accounts payable and accrued expenses	(50,450)
Accrued payroll liabilities	14,519
Deferred grant advances	22,000
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Total adjustments	356,664
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Net cash used in operating activities	\$ (297,697)
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SERENDIPITY CENTER, INC.

BOARD OF DIRECTORS AND MANAGEMENT

AS OF JUNE OF 2022

Board of Directors

Paul Fields, *Chair*
Point B

Erika Schwartz, *Vice-chair*
Beaverton School District &
Speak Read Write

Dan Smith, *Treasurer*
Shari's Management Corp.

Lori Silverman, *Secretary*
Centennial School District (retired)

Kristin Bauer
First Interstate Bank

Shannon Dale
New Seasons

Rachel Gardell
Lucky Day

Michael Hsu
Oregon Parole Board

Rick Larson
Centennial School District (retired)

Wendy Ricketts
Parent & Autism Advocate

Eric Robertson
Miller Nash LLP

Patrick Wrobel
Johnstone Supply

Management

Mark Takehara, MBA
Executive Director

Matthew Berryessa
Assistant Director

Rachel Gitner
Director of Development

Siew Wong
Finance Manager

Megan Pine, M.Ed.
Director of Education & Compliance

Kevin Thompson
Principal

Jackie Trussell, L.C.S.W.
Treatment Director

La'Verne Kramer
Program Manager

Kristin Harquail
Admissions Manager

Wendy Law
HR Generalist

SERENDIPITY CENTER, INC.

INQUIRIES AND OTHER INFORMATION

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