



**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, 2023 and Report of Independent Accountants

SERENDIPITY CENTER, INC.

TABLE OF CONTENTS

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	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, 2023, 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, 2023, 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.

### *Emphasis of Matter*

As discussed in note 2 to the accompanying financial statements, in 2023, Serendipity Center, Inc. adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), as amended. Our opinion is not modified with respect to this matter.

### *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.

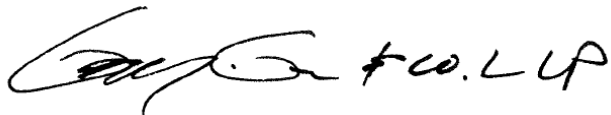
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Campbell & Co. LLP". The signature is stylized and cursive.

November 15, 2023

SERENDIPITY CENTER, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

(WITH COMPARATIVE AMOUNTS FOR 2022)

	2023	2022
<b>Assets:</b>		
Cash and cash equivalents	\$ 2,399,323	1,881,958
Accounts receivable	187,232	588,716
Contributions and grants receivable <i>(note 4)</i>	52,528	749,251
Prepaid expenses	208,109	216,464
Right-of-use assets – operating leases <i>(note 9)</i>	246,088	–
Property and equipment <i>(note 5)</i>	2,566,197	2,702,802
<b>Total assets</b>	<b>\$ 5,659,477</b>	<b>6,139,191</b>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	31,469	67,841
Accrued payroll and related expenses	368,313	394,957
Grant advances	–	22,000
Lease liabilities – operating leases <i>(note 9)</i>	249,950	–
<b>Total liabilities</b>	<b>649,732</b>	<b>484,798</b>
<b>Net assets:</b>		
Without donor restrictions:		
Available for programs and general operations	2,187,830	2,605,573
Net investment in capital assets	2,566,197	2,702,802
<b>Total without donor restrictions</b>	<b>4,754,027</b>	<b>5,308,375</b>
With donor restrictions <i>(note 6)</i>	255,718	346,018
<b>Total net assets</b>	<b>5,009,745</b>	<b>5,654,393</b>
Commitments and contingencies <i>(notes 10 and 11)</i>		
<b>Total liabilities and net assets</b>	<b>\$ 5,659,477</b>	<b>6,139,191</b>

See accompanying notes to financial statements.

SERENDIPITY CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)

	2023		Total	2022
	Without donor restrictions	With donor restrictions		
Revenues, gains, and other support:				
Tuition revenue	\$ 4,793,888	–	4,793,888	4,695,188
Contributions and grants	552,525	500,541	1,053,066	589,988
Special events, net of direct costs of \$40,158 in 2023 and \$0 in 2022	131,664	–	131,664	–
In-kind contributions	4,863	–	4,863	20,886
State of Oregon – School Nutrition Program reimbursements	34,896	–	34,896	54,688
CARES Act Employee Retention Credit	–	–	–	538,760
Interest income	71,804	–	71,804	9,736
Other income	302	–	302	66
Total revenues and gains	5,589,942	500,541	6,090,483	5,909,312
Net assets released from restrictions ( <i>note 7</i> )	590,841	(590,841)	–	–
Total revenues, gains, and other support	6,180,783	(90,300)	6,090,483	5,909,312
Expenses ( <i>note 8</i> ):				
Program services	5,712,787	–	5,712,787	5,458,820
Management and general	802,017	–	802,017	804,919
Fundraising	220,327	–	220,327	299,934
Total expenses	6,735,131	–	6,735,131	6,563,673
Decrease in net assets	(554,348)	(90,300)	(644,648)	(654,361)
Net assets at beginning of year	5,308,375	346,018	5,654,393	6,308,754
Net assets at end of year	\$ 4,754,027	255,718	5,009,745	5,654,393

See accompanying notes to financial statements.

SERENDIPITY CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)

	2023				2022
	Program services	Management and general	Fundraising	Total	
Salaries and related expenses	\$ 4,545,741	522,499	156,750	5,224,990	5,200,717
Contracted services	152,945	49,254	30,488	232,687	285,010
Student services	102,551	—	—	102,551	57,455
Occupancy	263,944	30,338	9,102	303,384	266,581
Insurance	127,311	14,634	4,390	146,335	165,639
Support services	141,813	81,911	6,290	230,014	156,097
Food service costs	53,997	—	—	53,997	40,176
Equipment rental and maintenance	34,842	4,005	1,201	40,048	33,322
Telephone	18,710	1,475	443	20,628	23,731
Printing and postage	5,374	1,144	1,469	7,987	10,610
Dues and subscriptions	9,794	513	154	10,461	10,762
Conferences and training	31,485	50,164	—	81,649	22,681
Marketing and advertising	9,381	9,382	2,552	21,315	81,494
Transportation	871	2,229	108	3,208	2,445
Other	—	9,868	—	9,868	3,821
Total expenses before depreciation	5,498,759	777,416	212,947	6,489,122	6,360,541
Depreciation	214,028	24,601	7,380	246,009	203,132
Total expenses	\$ 5,712,787	802,017	220,327	6,735,131	6,563,673

See accompanying notes to financial statements.

SERENDIPITY CENTER, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Cash flows from operating activities:		
Cash received from contract service fees and other sources	\$ 5,230,570	4,684,321
Cash received from donors and grantors	1,886,611	1,409,002
Cash received from interest	71,804	9,736
Cash paid to suppliers, employees, and others	(6,500,429)	(6,400,756)
Cash paid for amounts included in the measurement of operating lease liabilities	(74,787)	–
Net cash provided by (used in) operating activities	613,769	(297,697)
Cash flows from investing activities:		
Capital expenditures	(109,404)	(107,553)
Net cash used in investing activities	(109,404)	(107,553)
Cash flows from financing activities:		
Contributions restricted for capital acquisitions	13,000	8,440
Net cash provided by financing activities	13,000	8,440
Increase (decrease) in cash and cash equivalents	517,365	(396,810)
Cash and cash equivalents at beginning of year	1,881,958	2,278,768
Cash and cash equivalents at end of year	\$ 2,399,323	1,881,958

Supplemental schedule of cash flow information:

Right-of-use asset recorded upon the implementation of FASB ASU 2016-02, <i>Leases</i> (Topic 842) (note 2)	\$ 312,375	–
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See accompanying notes to financial statements.



NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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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, 2023, Serendipity served 78 students who were referred by school districts from Clackamas, Multnomah, Washington, and Clark counties.

2. Recently-Adopted Accounting Standard

In February of 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which requires lessees to record a right-of-use ("ROU") asset and a lease liability on the statement of financial position for all leases with a term longer than 12 months. On July 1, 2022, Serendipity adopted ASU No. 2016-02, as amended.

At the time of adoption, and in accordance with ASU 2016-02, Serendipity elected the package of practical expedients to not reassess: 1) whether any expired or existing contracts are or contain a lease, 2) lease classification for any expired or existing leases, and 3) whether previously capitalized initial direct costs would qualify for capitalization under Topic 842. Serendipity has also elected the short-term lease exemption policy which permits an organization to not recognize leases, at the commencement date, with a lease term of 12 months or less in its statement of financial position. Serendipity uses a risk-free rate at lease commencement date for discounting leases, and has elected not to separate lease and non-lease components in the calculation of the ROU assets and lease obligations.

Serendipity elected the modified retrospective transition approach with the cumulative effect of application recognized at the effective date of adoption and comparative periods are not adjusted. As a result of adoption, on July 1, 2022, Serendipity recognized (a) operating ROU asset totaling \$312,375, (b) operating lease liability of \$312,375, which represents the present value of the remaining lease payments, discounted using the risk-free rate at the date of adoption measured over the remaining lease term. Comparative prior period information has not been restated. Also see note 9.

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.

Right-of-Use Assets and Lease Obligations – Serendipity recognizes a right-of-use asset and a lease liability, initially measured at the present value of the lease payments for operating leases not classified as short-term leases. The obligations associated with the leases are recognized as a liability based on the discounted future lease payments using the risk-free rate of return. Serendipity includes fixed rent, predetermined rent escalations, rent-free periods, and deferred rent as lease components. Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. Some leases may require variable payments operating expenses which are expensed as incurred.

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, 2023, 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, 2023.

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, 2023 include tuition revenue received from various School district which is recognized ratably over the length of the school year.

- *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, 2023, Serendipity recorded \$4,863 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, 2023, no contributed land, buildings, equipment, or other materials were recorded.

Benefits Provided to Donors at Special Events – Serendipity conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals, entertainment, and other benefits provided at special events is measured at the actual cost to the organization.

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, 2023, Serendipity held \$1,557,383 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 November 15, 2023, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2022 – The accompanying financial information as of and for the year ended June 30, 2022 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. Contribution and Grants Receivable

Contributions and grants receivable at June 30, 2023 consist of unconditional promises totaling \$52,528 expected to be collected in less than one year.

5. Property and Equipment

A summary of property and equipment at June 30, 2023 is as follows:

Land	\$ 535,331
Buildings and related improvements	4,569,740
Furniture and equipment	717,982
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	5,823,053
Less accumulated depreciation	(3,256,856)
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	\$ 2,566,197
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6. Net Assets with Donor Restrictions

The following summarizes Serendipity's net assets with donor-imposed restrictions as of June 30, 2023:

Believe in Me capital campaign funds	\$ 251,340
Scholarships	4,378
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	\$ 255,718
	<hr/>

7. Net Assets Released from Restrictions

During the year ended June 30, 2023, Serendipity incurred \$590,841 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.

8. 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, depreciation, other facility-related costs, contracted services, office expenses, insurance, and other expenses, which are allocated on the basis of estimates to the activities that have most directly benefited.

## 9. Operating Leases

Serendipity has entered into a variety of operating lease agreements for office spaces and equipment. The ROU asset and associated lease liability have been recorded for these leases in accordance with Topic 842. These leases expire on various dates through June 2029.

At June 30, 2023, Serendipity's ROU asset and corresponding lease liability for the operating leases totaled \$246,088 and \$249,950, respectively.

Lease expense related to these operating leases totaled \$78,649.

As of June 30, 2023, the weighted average discount rate was 2.86% and the remaining weighted average lease term was 4.6 years.

### *Future Lease Payments*

Operating lease obligations are expected to be paid for each of the following fiscal years:

<i>Years ending June 30,</i>	
2024	\$ 62,762
2025	60,792
2026	61,126
2027	35,794
2028	23,302
Thereafter	23,652
	267,428
Less present value discount	(17,478)
	\$ 249,950

In addition to the above, Serendipity entered into short-term leases for storage space and additional temporary office space. Total expenses associated with these leases totaled \$32,542 during the fiscal year ended June 30, 2023.

## 10. 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 \$145,818 for the year ended June 30, 2023.

## 11. 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, 2023, Serendipity's unemployment reserve totaled \$14,381. During the year ended June 30, 2023, Serendipity made contributions totaling \$18,785 and paid \$18,030 in benefits.

## 12. 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, 2023:

<i>Total financial assets available to fund general operations:</i>	
Cash and cash equivalents	\$ 2,399,323
Accounts receivable	187,232
Contributions and grants receivable	52,528
	<hr/>
	2,639,083
<hr/>	
<i>Less financial assets not available within the year ending June 30, 2024:</i>	
Financial assets restricted by donors for capital acquisition	(251,340)
	<hr/>
	\$ 2,387,743
	<hr/>

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.

## 13. Reclassification of 2022 Comparative Totals

Certain 2022 amounts presented herein have been reclassified to conform to the 2023 presentation.

## 14. 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 provided by operating activities (as reported on the statement of cash flows):

Decrease in net assets	\$ (644,648)
<hr/>	
<i>Adjustments to reconcile decrease in net assets to net cash provided by operating activities:</i>	
Depreciation	246,009
Contributions restricted for capital acquisitions	(13,000)
Amortization of ROU assets – operating leases	66,287
<i>Net changes in:</i>	
Accounts receivable	401,484
Contributions and grants receivable	696,723
Prepaid expenses	8,355
Accounts payable and accrued expenses	(36,372)
Accrued payroll liabilities	(26,644)
Grant advances	(22,000)
Lease obligations – operating leases	(62,425)
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Total adjustments	1,258,417
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Net cash provided by operating activities	\$ 613,769
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SERENDIPITY CENTER, INC.

BOARD OF DIRECTORS AND MANAGEMENT

AS OF JUNE OF 2023

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Board of Directors

Erika Schwartz, *Chair*  
*Beaverton School District &*  
*Speak Read Write*

Lori Silverman, *Vice-Chair*  
*Centennial School District (retired)*

Shannon Dale, *Treasurer*  
*New Seasons*

Michael Hsu, *Secretary*  
*Oregon Parole Board*

Kristin Bauer  
*First Interstate Bank*

Chris Diaz  
*Health Share Oregon*

Rachel Gardell  
*Lucky Day*

Rick Larson  
*Centennial School District (retired)*

Ted Retecki  
*Point B*

Wendy Ricketts  
*Parent & Autism Advocate*

Eric Robertson  
*Miller Nash LLP*

Dan Smith  
*Shari's Management Corp.*

Patrick Wrobel  
*Johnstone Supply*

Management

Mark Takehara, MBA  
*Executive Director*

Matthew Berryessa  
*Assistant Director*

Rachel Gitner  
*Director of Development*

Erin Inskeep  
*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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