

4TH DIMENSION RECOVERY CENTER

FINANCIAL STATEMENTS

Year Ended June 30, 2023



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

4TH DIMENSION RECOVERY CENTER

FINANCIAL STATEMENTS

Year Ended June 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
4th Dimension Recovery Center
Portland, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of 4th Dimension Recovery Center (a nonprofit organization), 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 present fairly, in all material respects, the financial position of 4th Dimension Recovery Center 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 of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 the 4th Dimension Recovery Center 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the 4th Dimension Recovery Center'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 and *Government 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 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.

To the Board of Directors
4th Dimension Recovery Center

In performing an audit in accordance with generally accepted auditing standards and *Government 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 the 4th Dimension Recovery Center'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 the 4th Dimension Recovery Center'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2024 on our consideration of the 4th Dimension Recovery Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 4th Dimension Recovery Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 4th Dimension Recovery Center's internal control over financial reporting and compliance.

Prior Year Summarized Financial Information

We have previously audited 4th Dimension Recovery Center's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 24, 2023. 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.



Portland, Oregon
July 31, 2024

4TH DIMENSION RECOVERY CENTER

STATEMENT OF FINANCIAL POSITION

June 30, 2023

(With Comparative Totals as of June 30, 2022)

ASSETS

	2023	2022
Cash and cash equivalents	\$ 3,916,840	\$ 1,385,160
Investments - certificates of deposit	200,000	-
Grants and contracts receivable	791,816	276,206
Prepaid expenses	131,151	50,518
Property and equipment, net	434,348	195,903
Operating lease right-of-use asset	<u>2,941,681</u>	<u>-</u>
Total assets	<u>\$ 8,415,836</u>	<u>\$ 1,907,787</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 150,784	\$ 171,786
Accrued payroll and related expenses	334,414	122,581
Refundable advances	3,832,408	847,851
Operating lease right-of-use liability	<u>2,941,681</u>	<u>-</u>
Total liabilities	<u>7,259,287</u>	<u>1,142,218</u>
Net assets		
Without donor restrictions	1,066,556	671,846
With donor restrictions	<u>89,993</u>	<u>93,723</u>
Total net assets	<u>1,156,549</u>	<u>765,569</u>
Total liabilities and net assets	<u>\$ 8,415,836</u>	<u>\$ 1,907,787</u>

See notes to financial statements.

4TH DIMENSION RECOVERY CENTER

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Revenues and other support				
Government grants and contracts	\$ 8,137,648	\$ 300,000	\$ 8,437,648	\$ 3,340,410
Foundation grants	177,134	50,000	227,134	122,600
Contributions	104,247	-	104,247	103,609
Rental income	5,131	-	5,131	14,503
Special event income (net of \$168,899 direct expense)	203,266	-	203,266	86,983
Interest income	334	-	334	176
Other income	123,245	-	123,245	49,255
	<u>8,751,005</u>	<u>350,000</u>	<u>9,101,005</u>	<u>3,717,536</u>
Net assets released from restrictions	353,730	(353,730)	-	-
Total revenues and other support	<u>9,104,735</u>	<u>(3,730)</u>	<u>9,101,005</u>	<u>3,717,536</u>
Expenses				
Program services	7,557,553	-	7,557,553	3,466,331
Management and general	791,423	-	791,423	349,296
Fundraising	361,049	-	361,049	255,597
	<u>8,710,025</u>	<u>-</u>	<u>8,710,025</u>	<u>4,071,224</u>
Total expenses	<u>8,710,025</u>	<u>-</u>	<u>8,710,025</u>	<u>4,071,224</u>
Change in net assets	394,710	(3,730)	390,980	(353,688)
Net assets, beginning of year	<u>671,846</u>	<u>93,723</u>	<u>765,569</u>	<u>1,119,257</u>
Net assets, end of year	<u>\$ 1,066,556</u>	<u>\$ 89,993</u>	<u>\$ 1,156,549</u>	<u>\$ 765,569</u>

See notes to financial statements.

4TH DIMENSION RECOVERY CENTER

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	Program Services	Management and General	Fundraising	Total	
				2023	2022
Personnel expense					
Salaries	\$ 4,567,371	\$ 382,996	\$ 171,443	\$ 5,121,810	\$ 2,232,667
Payroll taxes and benefits	419,100	43,014	22,537	484,651	431,985
Total personnel expense	4,986,471	426,010	193,980	5,606,461	2,664,652
Direct grant expense					
Conference and training expense	106,084	5,691	18,041	129,816	39,294
Client support	413,712	1,160	18,465	433,337	93,634
Total direct grant expense	519,796	6,851	36,506	563,153	132,928
Other expense					
Rent and utilities	696,894	61,300	10,795	768,989	508,612
Recovery Supportive Housing	255,633	-	-	255,633	-
Marketing	54,137	-	-	54,137	33,198
Telephone and computer services	50,100	2,618	573	53,291	27,787
Equipment and furniture	229,563	7,585	8,887	246,035	168,535
Licenses, fees, dues, and subscriptions	65,362	35,185	24,365	124,912	50,516
Insurance	7,790	41,405	-	49,195	44,234
Professional services	506,100	8,796	46,907	561,803	168,514
Travel and conference fees	55,001	5,520	6,542	67,063	11,034
Supplies	94,493	69,632	3,624	167,749	120,798
Depreciation	-	120,365	-	120,365	93,541
Community organizing and lobbying	22,113	-	-	22,113	8,500
Miscellaneous	14,100	6,156	28,870	49,126	38,375
Total other expense	2,051,286	358,562	130,563	2,540,411	1,273,644
Total expenses	\$ 7,557,553	\$ 791,423	\$ 361,049	\$ 8,710,025	\$ 4,071,224

See notes to financial statements.

4TH DIMENSION RECOVERY CENTER

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 390,980	\$ (353,688)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	120,365	93,541
Decrease (increase) in:		
Grants and contracts receivable	(515,610)	(190,740)
Prepaid expenses	(80,633)	21,100
Increase (decrease) in:		
Accounts payable	(21,002)	162,711
Accrued payroll and related expenses	211,833	74,940
Refundable advances	2,984,557	(200,357)
Net cash provided by (used in) operating activities	<u>3,090,490</u>	<u>(392,493)</u>
Cash flows from investing activities:		
Purchase of investments	(200,000)	-
Net cash provided by (used in) investing activities	<u>(200,000)</u>	<u>-</u>
Cash flows from financing activities:		
Purchase of property and equipment	(358,810)	(214,160)
Net cash provided by (used in) financing activities	<u>(358,810)</u>	<u>(214,160)</u>
Net change in cash and cash equivalent	2,531,680	(606,653)
Cash and cash equivalents, beginning of year	<u>1,385,160</u>	<u>1,991,813</u>
Cash and cash equivalents, end of year	<u>\$ 3,916,840</u>	<u>\$ 1,385,160</u>

See notes to financial statements.

4TH DIMENSION RECOVERY CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A – DESCRIPTION OF ORGANIZATION

4th Dimension Recovery Center (4D Recovery or the Organization) is a Recovery Community Organization (RCO) in the greater Portland, Oregon, area whose mission is providing a variety of substance use recovery support services to young people ages 18 to 35. 4D Recovery partners with systems, communities, and individuals to deliver age-specific recovery services that are sensitive to race, ethnicity, culture, and gender identity. 4D Recovery supports all pathways to recovery and offers a variety of services to support consumer needs, including peer mentoring, recovery meetings and events, community center spaces, leadership development, and housing supports.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncements

The Organization adopted *Accounting Standards Update No. 2016-02, Leases Topic 842* (“ASC 842”). The new standard establishes a right-of-use (“ROU”) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

The Organization elected to adopt ASC 842, effective July 1, 2022 and elected the optional transitional method to apply the transition provisions from the date of adoption, which requires the Organization to report the cumulative effect of the adoption of the standard on the date of adoption with no changes to the prior period balances. Pursuant to the practical expedients, the Organization elected not to reassess: (i) whether expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct cost for any existing leases.

Lease ROU assets and operating lease liabilities are recognized at the present value of the future lease payments over the base noncancelable lease term, at the lease commencement date for each lease. The Organization elected the practical expedient allowing use of the risk free rate as the interest rate for determining the present value of the future lease payments.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting which recognizes revenue when earned and expenses when incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.

4TH DIMENSION RECOVERY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (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.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the Statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

Cash and Cash Equivalents

For financial reporting purposes, the Organization considers all short-term investments with an original maturity of three months or less to be cash and cash equivalents.

Investments

Investments consist of certificates of deposit with initial maturities of greater than three months held for long term investment purposes and are carried at their fair market value.

4TH DIMENSION RECOVERY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contracts Receivable

The Organization's grants and contracts receivable consist primarily of reimbursement requests to government agencies and are unsecured. Such receivables are generally due within 30 days. The Organization has not experienced any losses on these accounts. The balance in grants and contracts receivable older than 90 days as of June 30, 2023, was approximately \$45,450. Management periodically assesses the need for an allowance for doubtful accounts based on historical experience and existing conditions affecting probable collection. Management has determined that no allowance for doubtful accounts was necessary as of June 30, 2023.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their fair market values on the date received. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from 2 to 7 years. For the year ended June 30, 2023, depreciation expense amounted to \$120,365.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Revenue streams applicable to the Organization that qualify as exchange transactions with "customers" (primarily events and rent) are recognized at a single point upon receipt when all risks and rewards transfer. Amounts received from customers in advance, such as deposits for reserved future services and events, are recorded as deferred revenue until the Organization's performance obligations are satisfied.

Conditional Promises to Give

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions or has met the performance requirements. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization has cost-reimbursable grants of \$4,586,915 that have not been recognized at June 30, 2023 because performance requirements and/or qualifying expenditures have not yet been incurred.

4TH DIMENSION RECOVERY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advances

Refundable advances consist of conditional grant payments received prior to the incurrence of allowable grant expenditures, and are refundable to the grantor if not used for grant purposes. The Organization had refundable advances totaling \$3,832,408 at June 30, 2023.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as fixed common area and other fixed maintenance costs, in calculating the ROU assets and lease liabilities for its office buildings, apartments and vehicles. The Organization has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses a risk free discount rate for its leased office space.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position.

4TH DIMENSION RECOVERY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE C – FAIR VALUE MEASUREMENTS

Valuation techniques used to measure fair values are prioritized into the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, exchange traded funds, and cash equivalents.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

Level 3 – Unobservable inputs that reflect management's assumptions and best estimates based on available data. Assets in this level include beneficial interest in assets held by others.

Fair value of assets measured on a recurring basis at June 30, 2023 were:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value Total</u>
Certificates of deposit	\$ -	\$ 200,000	\$ -	\$ 200,000
Total	<u>\$ -</u>	<u>200,000</u>	<u>• -</u>	<u>\$ 200,000</u>

4TH DIMENSION RECOVERY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE D – CONTINGENCIES

Amounts received or receivable from government grants are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. Other claims arising in the normal course of operations have been filed against the Organization. Certain claims are covered by insurance and have been tendered to the Organization's public liability insurer. In management's opinion, these claims will not result in material losses to the Organization.

NOTE E – PROPERTY AND EQUIPMENT

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

Buildings and improvements	\$	434,685
Vehicles		258,188
Equipment and furniture		<u>22,806</u>
		715,679
Accumulated depreciation		<u>(281,331)</u>
Total property and equipment	\$	<u><u>434,348</u></u>

NOTE F – RESTRICTIONS ON NET ASSETS

The Organization's net assets with donor restrictions are subject to the following purpose restrictions:

Subject to purpose restrictions:		
Painted Horse Recovery	\$	68,377
NW Instituto Latino		<u>21,616</u>
Total net assets with donor restrictions	\$	<u><u>89,993</u></u>

4TH DIMENSION RECOVERY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE G – LEASE ASSET AND LIABILITIES

The Organization has multiple leases on program and administrative facilities ranging from 1-5 years. The Organization recognized an ROU asset and liability of \$2,152,469 using risk free 2-5 year rates ranging from 1.72% to 2.61%.

	<u>Leases</u>
Annual Lease Cost	\$ <u>644,290</u>
Cash paid for amounts included in the measurement of lease liabilities: Operating cash flows from leases	\$ <u>661,723</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ <u>2,803,641</u>
Weighted-average remaining lease term	3 years
Weighted-average discount rate	2.61%

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2024	\$ 770,211
2025	755,292
2026	632,673
2027	500,749
2028	317,488
Thereafter	<u>132,813</u>
Total future undiscounted lease payments	3,109,226
Less present value discount	<u>(167,545)</u>
Lease liabilities	\$ <u>2,941,681</u>

4TH DIMENSION RECOVERY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE H – LIQUIDITY

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2023:

Financial assets at year-end	
Cash and cash equivalents	\$ 3,916,840
Certificates of Deposit	200,000
Grants and contracts receivable	791,816
Total financial assets	<u>4,908,656</u>
Less amounts unavailable for general expenditures use within one year:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restriction	(89,993)
Total unavailable financial assets	<u>(89,993)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,818,663</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE I – CONCENTRATIONS

The Organization has cash balances in a credit union in excess of the federal insurance limit of \$250,000. The uninsured balances totaled approximately \$3,547,046 at June 30, 2023. The Organization maintains its cash with a high quality financial institution which the Organization believes limits these risks.

Approximately 75% of the Organization's revenue was earned under various contracts with the Oregon Health Authority.

NOTE J – SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 31, 2024, which is the date the financial statements were available to be issued.