

Returning Veterans Project

**Financial Statements
With Independent Auditor's Report**

Years Ended December 31, 2022 and 2021

Returning Veterans Project

**Financial Statements
With Independent Auditor's Report**

Years Ended December 31, 2022 and 2021

**Returning Veterans Project
Years Ended December 31, 2022 and 2021**

Table of Contents

Independent Auditor's Report.....	1-2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses.....	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-12

INDEPENDENT AUDITOR'S REPORT

September 12, 2023

Board of Directors
Returning Veterans Project
650 NE Holladay St., Suite 1600
Portland, OR 97232

Opinion

I have audited the accompanying financial statements of financial position of Returning Veterans Project (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Returning Veterans Project. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Returning Veterans Project and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibility 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 Returning Veterans Project'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 Responsibility for the Audit of the Financial Statements

My 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 my 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 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, I:

- 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 Returning Veterans Project'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Returning Veterans Project's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Mark Schwing CPA PC

Mark Schwing CPA PC

**Returning Veterans Project
Statements of Financial Position
December 31, 2022 and 2021**

	<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current Assets			
Cash		\$ 613,122	\$ 279,828
Grants and Contributions Receivable		27,000	15,200
Prepaid Expenses		3,499	2,607
Total Current Assets		<u>643,621</u>	<u>297,635</u>
 Total Assets		 <u><u>\$ 643,621</u></u>	 <u><u>\$ 297,635</u></u>
 <u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities			
Accrued Compensated Absences		\$ 5,692	\$ 9,621
Total Current Liabilities		<u>5,692</u>	<u>9,621</u>
 Net Assets			
Without Donor Restriction		567,429	225,514
With Donor Restriction		70,500	62,500
Total Net Assets		<u>637,929</u>	<u>288,014</u>
 Total Liabilities and Net Assets		 <u><u>\$ 643,621</u></u>	 <u><u>\$ 297,635</u></u>

**Returning Veterans Project
Statements of Activities
Years Ended December 31, 2022 and 2021**

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support						
Foundation Grants	\$ 121,860	\$ 70,500	\$ 192,360	\$ 110,000	\$ 62,500	\$ 172,500
Contributions	536,517	-	536,517	154,303	-	154,303
Volunteer-Contributed Services	298,028	-	298,028	307,415	-	307,415
Debt Forgiveness of PPP loan	-	-	-	53,582	-	53,582
Event Income	3,850	-	3,850			
Fees and Other Revenues	227	-	227	672	-	672
Net Assets Released from Restriction	62,500	(62,500)	-	83,000	(83,000)	-
Total Revenue and Support	<u>1,022,982</u>	<u>8,000</u>	<u>1,030,982</u>	<u>708,972</u>	<u>(20,500)</u>	<u>688,472</u>
Expenses						
Program Services						
Network	398,725	-	398,725	408,701	-	408,701
Training	33,225	-	33,225	31,034	-	31,034
Outreach	111,891	-	111,891	99,098	-	99,098
Support Services						
Management and General	60,705	-	60,705	59,494	-	59,494
Fundraising	76,521	-	76,521	52,065	-	52,065
Total Expenses	<u>681,067</u>	<u>-</u>	<u>681,067</u>	<u>650,392</u>	<u>-</u>	<u>650,392</u>
Change in Net Assets	341,915	8,000	349,915	58,580	(20,500)	38,080
Net Assets, Beginning of Year	<u>225,514</u>	<u>62,500</u>	<u>288,014</u>	<u>166,934</u>	<u>83,000</u>	<u>249,934</u>
Net Assets, End of Year	<u>\$ 567,429</u>	<u>\$ 70,500</u>	<u>\$ 637,929</u>	<u>\$ 225,514</u>	<u>\$ 62,500</u>	<u>\$ 288,014</u>

**Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2022**

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2022
Personnel	\$ 62,798	\$ 26,673	\$ 73,418	\$ 162,889	\$ 50,163	\$ 25,132	\$ 75,295	\$ 238,184
Volunteer-Contributed Services	298,028	-	-	298,028	-	-	-	298,028
Therapy Activities	2,664	-	-	2,664	-	-	-	2,664
Training	-	990	-	990	-	95	95	1,085
Fundraising	-	-	-	-	-	2,012	2,012	2,012
Outreach	420	28	1,274	1,722	832	322	1,154	2,876
Events	633	-	-	633	-	-	-	633
Bank Fees	1,120	-	-	1,120	30	-	30	1,150
Board of Directors	-	-	-	-	47	-	47	47
Insurance	1,739	58	175	1,972	116	58	174	2,146
Internet	53	18	53	124	35	18	53	177
Licenses and Taxes	95	9	119	223	64	32	96	319
Office Supplies	1,608	670	1,928	4,206	1,292	937	2,229	6,435
Postage	98	33	175	306	139	220	359	665
Printing and Copies	-	-	400	400	-	1,101	1,101	1,501
Professional Services	28,428	4,399	33,307	66,134	7,292	46,247	53,539	119,673
Rent	535	179	535	1,249	357	178	535	1,784
Telephone	506	168	507	1,181	338	169	507	1,688
Total Expenses	\$ 398,725	\$ 33,225	\$ 111,891	\$ 543,841	\$ 60,705	\$ 76,521	\$ 137,226	\$ 681,067
Percentage of 2022 Grand Total	58.5%	4.9%	16.4%	79.9%	8.9%	11.2%	20.1%	100.0%

**Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2021**

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2021
Personnel	\$ 73,535	\$ 23,857	\$ 71,327	\$ 168,719	\$ 47,715	\$ 23,923	\$ 71,638	\$ 240,357
Volunteer-Contributed Services	307,415	-	-	307,415	-	-	-	307,415
Therapy Activities	2,340	-	-	2,340	-	-	-	2,340
Training	-	1,344	-	1,344	-	-	-	1,344
Fundraising	-	-	-	-	-	2,542	2,542	2,542
Outreach	-	-	2,028	2,028	-	519	519	2,547
Events	-	-	-	-	-	-	-	-
Bank Fees	820	32	125	977	108	80	188	1,165
Board of Directors	16	5	16	37	173	5	178	215
Insurance	2,435	87	261	2,783	174	87	261	3,044
Internet	38	13	38	89	25	13	38	127
Licenses and Taxes	180	64	187	431	129	64	193	624
Office Supplies	959	340	820	2,119	565	1,188	1,753	3,872
Postage	74	24	372	470	67	191	258	728
Printing and Copies	795	265	795	1,855	531	265	796	2,651
Professional Services	16,042	3,734	19,320	39,096	7,467	21,829	29,296	68,392
Rent	3,593	1,098	3,295	7,986	2,197	1,098	3,295	11,281
Telephone	459	171	514	1,144	343	261	604	1,748
Total Expenses	\$ 408,701	\$ 31,034	\$ 99,098	\$ 538,833	\$ 59,494	\$ 52,065	\$ 111,559	\$ 650,392
Percentage of 2021 Grand Total	62.8%	4.8%	15.2%	82.8%	9.1%	8.0%	17.2%	100.0%

**Returning Veterans Project
Statements of Cash Flows
Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 349,915	\$ 38,080
Net Change in Operating Assets and Liabilities		
Grants and Contributions Receivable	(11,800)	17,300
Prepaid Expense	(892)	3,138
Accrued Compensated Absences	(3,929)	2,862
Net Cash Provided (Used) by Operating Activities	<u>333,294</u>	<u>61,380</u>
Net Change in Cash	<u>333,294</u>	<u>61,380</u>
Cash, Beginning of Year	<u>279,828</u>	<u>218,448</u>
Cash, End of Year	<u><u>\$ 613,122</u></u>	<u><u>\$ 279,828</u></u>
Supplemental disclosure of Cash Flow information		
Cash paid during year for income taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Cash paid during year for interest charged to expense	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Returning Veterans Project
Notes to Financial Statements
December 31, 2022 and 2021**

(1) The Organization

In 2005, the Returning Veterans Project (RVP) was founded in Portland, OR by a small group of mental health providers that wanted to do more to support returning veterans, service members, and families impacted by post-9/11 war zone military service. Over the years the network of volunteer providers has expanded throughout Oregon and Southwest Washington to include mental health professionals, massage therapy, acupuncture, chiropractic care, and more. RVP is a 501(c)(3) non-profit organization that relies solely on private funding.

(2) Program Services

The mission of RVP is to provide free, confidential mental and physical health services to post-9/11 war zone veterans, service members, and their families in Oregon and Southwest Washington.

RVP achieves its mission by working to expand and support the volunteer provider network, and serving as a community resource for veteran-specific issues and causes. Major program services include:

Network – Recruitment activities to promote the opportunity to volunteer as a provider. Orientation of new volunteer providers.

Training – Continuing education training programs to educate volunteer providers and the community about the unique needs of veterans, service members, and families related to challenges due to military service, and to provide access to evidence-based and emerging treatment options.

Outreach – Promoting the mental and physical health services available from RVP to the veteran communities. Serving as an information source for resources and support outside of the RVP mission.

(3) Summary of Significant Accounting Policies

The significant accounting policies followed by RVP are described below 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 accounting principles generally accepted in the United States of America.

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

Net Assets Without Donor Restriction – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Returning Veterans Project
Notes to Financial Statements
December 31, 2022 and 2021**

(3) Summary of Significant Accounting Policies - continued

Basis of Presentation - continued

Net Assets with Donor Restriction – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Vacation Pay – Vacation pay is charged to expense when it is earned by the employee.

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

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period 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.

Advertising Expenses – Advertising and promotional costs are charged to expense as they are incurred.

Fixed Assets and Depreciation – Purchased fixed assets are stated at cost. Donated fixed assets are recorded at their estimated fair market value. The organization generally capitalizes expenditures for fixed assets in excess of \$2,500. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. At December 31, 2022 and 2021, there were no fixed assets.

**Returning Veterans Project
Notes to Financial Statements
December 31, 2022 and 2021**

(3) Summary of Significant Accounting Policies - continued

Revenue Recognition – All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Contributions and grants whose restrictions, if any, are met in the same reporting period are reported as unrestricted revenue in the period of receipt. Contract and other service revenues are recognized at the time services are provided and the revenues are earned.

Federal and State Taxes – RVP is a tax-exempt corporation within the provisions of Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. It is management's opinion that none of RVP's present activities are subject to unrelated business income taxes; therefore, no provisions for income taxes have been made in the accompanying financial statements.

RVP files returns in the U.S. federal jurisdiction as well as the state of Oregon jurisdiction. Generally, tax filings are subject to federal and state examination for three years after they are filed. The returns filed for years prior to December 31, 2019 are considered closed. In the event penalties and interest are assessed by income taxing authorities, it is RVP's policy to include these in operating expenses. No penalties and interest were assessed for the years ended December 31, 2021 and 2020.

Concentration of Economic Risk – RVP receives a substantial portion of its funding from charitable foundations and corporations. If these funds were not available, the Organization might have difficulty continuing operations. In the opinion of management, RVP will continue to receive sufficient funding to assure its existence.

Concentration of Credit Risk – RVP maintains cash balances with banks and other financial institutions, which may from time to time exceed depository insurance limits. RVP has not experienced any losses from these accounts and does not believe that they are exposed to significant credit risk. At December 31, 2022 amounts on deposit exceed insurance limits by \$357,855.

Functional Allocation of Expense – The costs of providing the various programs and other activities of RVP have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services based on an allocation of employee's time incurred and on usage of resources. Expenses by natural classification are presented in the statement of functional expenses.

(4) Concentration of Contributions

RVP received approximately 67% of contributions, not including foundation grants and volunteer contributed services, from one donor during the year ended December 31, 2022.

**Returning Veterans Project
Notes to Financial Statements
December 31, 2022 and 2021**

(5) Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 613,122	\$ 279,828
Grants and contributions receivable	<u>27,000</u>	<u>15,200</u>
Total financial assets	640,122	295,028
Less amounts not available to be used within one year with donor restriction	<u>70,500</u>	<u>62,500</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 569,622</u>	<u>\$ 232,528</u>

RVP regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet expenditures over a 12-month period RVP considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, RVP operates with at least a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statements of cash flows which identify the sources and uses of RVP's cash flows.

(6) Volunteer-Contributed Services

RVP offers free healthcare services to returning veterans and their families. The services are provided by volunteer health professionals who donate their time to the organization. These amounts have been reported as both in-kind contribution revenue and volunteer services expense on the statement of activities. RVP recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets, or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

RVP determined the hourly rates of donated healthcare services using their current providers' fee structures. In 2022 and 2021, RVP volunteer providers donated 2,696 and 2,462 hours, respectively. The value of these donated healthcare services that are included in the financial statements for the years ended December 31, 2022 and 2021 are \$298,028 and \$307,415, respectively.

**Returning Veterans Project
Notes to Financial Statements
December 31, 2022 and 2021**

(7) Operating Leases

RVP rents an administrative office under a month-to-month agreement. Office rent expense totaled \$1,784 and \$11,281 for the years ended December 31, 2022 and 2021, respectively. Operating leases with an initial term of twelve months or less and the lack of a purchase option that RVP is reasonably certain to exercise, are short-term leases. It is RVP's policy to not recognize right of use assets and lease liabilities arising from short-term leases for any class of underlying asset.

(8) Paycheck Protection Program Loan

The Paycheck Protection Program ("PPP"), which was established under the Coronavirus Aid, Relief and Economic Security Act ("the CARES Act"), provides for loans to qualifying businesses and not-for-profit organizations for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks so long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP. At least 60% of the amount forgiven must be attributable to payroll costs, as defined by the PPP. RVP is permitted to prepay or partially prepay the PPP loans at any time with no prepayment penalties. Under the terms of the CARES Act, PPP loan recipients can apply for, and be granted, forgiveness for all or a portion of loans granted under the PPP. Such forgiveness will be determined, subject to limitations and ongoing rulemaking by the SBA, based on the use of loan proceeds for payroll costs and mortgage interest, rent or utility cost and the maintenance of employee and compensation levels.

In 2021, RVP received loan proceeds under the PPP in the amount of \$53,582. RVP applied for forgiveness of the loan and was granted full forgiveness in 2021. The loan forgiveness is recorded as debt forgiveness on the Statement of Activities during the year-ended December 31, 2021.

(9) Retirement Plan

In 2022 RVP established a Simple IRA retirement plan covering all employees. Under the plan, RVP's employees can elect to defer compensation up to limits established by the Internal Revenue Code. RVP matches 3% of an employee's salary to the plan. Contribution made by RVP amounted to \$601 during the year ended December 31, 2022.

(10) Net Assets with Donor Restriction

Net assets with donor restriction at December 31, 2022 and 2021 are all available for expenditure on quality care services and administration.

(11) Subsequent Events

Management of RVP has evaluated events and transactions occurring after December 31, 2022 through September 12, 2023, the date the financial statements were available for issuance, for potential recognition or disclosure in the financial statements and have concluded no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.