

Returning Veterans Project

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

Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

July 16, 2024

Board of Directors
Returning Veterans Project
PO Box 14035
Portland, OR 97293

Opinion

I have audited the accompanying financial statements of Returning Veterans Project (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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.

 CPA PC

Mark Schwing CPA PC

**Returning Veterans Project
Statements of Financial Position
December 31, 2023 and 2022**

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
Current Assets		
Cash	\$ 354,827	\$ 613,122
U.S. Treasury Bills-Available for Sale	269,131	-
Grants and Contributions Receivable	73,048	27,000
Prepaid Expenses	-	3,499
Total Current Assets	<u>697,006</u>	<u>643,621</u>
 Total Assets	 <u>\$ 697,006</u>	 <u>\$ 643,621</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accrued Compensated Absences	\$ 13,350	\$ 5,692
Total Current Liabilities	<u>13,350</u>	<u>5,692</u>
 Net Assets		
Without Donor Restriction	628,656	567,429
With Donor Restriction	55,000	70,500
Total Net Assets	<u>683,656</u>	<u>637,929</u>
 Total Liabilities and Net Assets	 <u>\$ 697,006</u>	 <u>\$ 643,621</u>

Returning Veterans Project
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support						
Foundation Grants	\$ 221,900	\$ 55,000	\$ 276,900	\$ 121,860	\$ 70,500	\$ 192,360
Contributions	224,083	-	224,083	536,517	-	536,517
Volunteer-Contributed Services	363,743	-	363,743	298,028	-	298,028
Unrealized Investment Gains	2,585	-	2,585	-	-	-
Event Income	6,220	-	6,220	3,850	-	3,850
Fees and Other Revenues	7,959	-	7,959	227	-	227
Interest Income	52	-	52	-	-	-
Net Assets Released from Restriction	70,500	(70,500)	-	62,500	(62,500)	-
Total Revenue and Support	<u>897,042</u>	<u>(15,500)</u>	<u>881,542</u>	<u>1,022,982</u>	<u>8,000</u>	<u>1,030,982</u>
Expenses						
Program Services						
Network	492,290	-	492,290	398,725	-	398,725
Training	39,166	-	39,166	33,225	-	33,225
Outreach	126,999	-	126,999	111,891	-	111,891
Support Services						
Management and General	89,897	-	89,897	60,705	-	60,705
Fundraising	87,463	-	87,463	76,521	-	76,521
Total Expenses	<u>835,815</u>	<u>-</u>	<u>835,815</u>	<u>681,067</u>	<u>-</u>	<u>681,067</u>
Change in Net Assets	61,227	(15,500)	45,727	341,915	8,000	349,915
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 628,656</u>	<u>\$ 55,000</u>	<u>\$ 683,656</u>	<u>\$ 567,429</u>	<u>\$ 70,500</u>	<u>\$ 637,929</u>

**Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2023**

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2023
Personnel	\$ 102,439	\$ 33,091	\$ 95,487	\$ 231,017	\$ 82,664	\$ 53,290	\$ 135,954	\$ 366,971
Volunteer-Contributed Services	363,743	-	-	363,743	-	-	-	363,743
Training	-	2,634	-	2,634	-	-	-	2,634
Fundraising	-	-	-	-	-	382	382	382
Outreach	1,100	-	4,163	5,263	-	13	13	5,276
Events	333	-	1,486	1,819	-	1,478	1,478	3,297
Bank Fees	1,120	5	14	1,139	27	5	32	1,171
Board of Directors & Hospitality	221	74	221	516	273	74	347	863
Insurance	4,579	104	311	4,994	206	104	310	5,304
Internet	97	32	97	226	65	33	98	324
Licenses and Taxes	201	66	201	468	134	252	386	854
Office Supplies	2,116	667	2,051	4,834	1,510	1,774	3,284	8,118
Postage	85	-	368	453	23	400	423	876
Printing and Copies	91	30	1,440	1,561	68	2,399	2,467	4,028
Professional Services	14,908	2,044	19,903	36,855	4,088	26,840	30,928	67,783
Rent	730	243	730	1,703	487	243	730	2,433
Telephone	527	176	527	1,230	352	176	528	1,758
Total Expenses	\$ 492,290	\$ 39,166	\$ 126,999	\$ 658,455	\$ 89,897	\$ 87,463	\$ 177,360	\$ 835,815
Percentage of 2021 Grand Totals	58.9%	4.7%	15.2%	78.8%	10.8%	10.5%	21.2%	100.0%

**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	<u>\$ 398,725</u>	<u>\$ 33,225</u>	<u>\$ 111,891</u>	<u>\$ 543,841</u>	<u>\$ 60,705</u>	<u>\$ 76,521</u>	<u>\$ 137,226</u>	<u>\$ 681,067</u>
Percentage of 2022 Grand Total	<u>58.5%</u>	<u>4.9%</u>	<u>16.4%</u>	<u>79.9%</u>	<u>8.9%</u>	<u>11.2%</u>	<u>20.1%</u>	<u>100.0%</u>

**Returning Veterans Project
Statements of Cash Flows
Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 45,727	\$ 349,915
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Urealized Investment Gains	(2,585)	-
Net Change in Operating Assets and Liabilities		
Grants and Contributions Receivable	(46,048)	(11,800)
Prepaid Expense	3,499	(892)
Accrued Compensated Absences	7,658	(3,929)
Net Cash Provided by Operating Activities	<u>8,251</u>	<u>333,294</u>
 Cash Flows from Investing Activities		
Purchases of U.S. Treasury Bills	<u>(266,546)</u>	<u>-</u>
Net Cash (Used) by Investing Activities	<u>(266,546)</u>	<u>-</u>
 Net Change in Cash	<u>(258,295)</u>	<u>333,294</u>
 Cash, Beginning of Year	<u>613,122</u>	<u>279,828</u>
 Cash, End of Year	<u><u>\$ 354,827</u></u>	<u><u>\$ 613,122</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, 2023 and 2022**

(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, 2023 and 2022**

(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, 2023 and 2022, there were no fixed assets.

**Returning Veterans Project
Notes to Financial Statements
December 31, 2023 and 2022**

(3) Summary of Significant Accounting Policies - continued

Operating Leases

RVP records operating leases with a right of use asset and corresponding liability to capture total value of future use and cash outflows, discounted to present value at date of lease inception, and amortized over the life of the lease. The discount rate is based on what is stated in the lease agreement, if known, or the entities average borrowing rates. Operating lease amortization is charged to rent expense over the life of the lease. Operating lease expense is recognized for these leases on a straight-line basis over the lease term. There were no operating leases during the years ended December 31, 2023 and 2022.

Short-term Leases

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 lease. 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. Amount paid towards short-term leases are included in rent expense as payments are made.

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.

Fair Value of Financial Instruments - Generally accepted accounting principles require disclosure of fair value information about financial instruments when it is practicable to estimate that value. The carrying amount of other assets and liabilities reported on the statement of financial position that requires such disclosure approximates fair value.

The Financial Accounting Standards Board (FASB) Accounting Standards Codification established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

**Returning Veterans Project
Notes to Financial Statements
December 31, 2023 and 2022**

(3) Summary of Significant Accounting Policies - continued

Fair Value of Financial Instruments – continued

The carrying amounts for cash, receivables, prepaid expenses, accounts payable and other accrued liabilities approximate their fair value due to their short maturities. U.S. Treasury Bills are recorded at their fair value based on quoted market prices which is level 1.

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, 2020 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, 2023 and 2022.

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.

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, 2023 and 2022**

(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>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$ 354,827	\$ 613,122
U.S. Treasury Bills	269,131	-
Grants and contributions receivable	<u>73,048</u>	<u>27,000</u>
Total financial assets	697,006	640,122
Less amounts not available to be used within one year with donor restriction	<u>55,000</u>	<u>70,500</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 642,006</u>	<u>\$ 569,622</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 2023 and 2022, RVP volunteer providers donated 2,850 and 2,696 hours, respectively. The value of these donated healthcare services that are included in the financial statements for the years ended December 31, 2023 and 2022 are \$363,743 and \$298,028, respectively.

**Returning Veterans Project
Notes to Financial Statements
December 31, 2023 and 2022**

(7) 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. Contributions made by RVP amounted to \$8,200 and \$601 during the years ended December 31, 2023 and 2022, respectively.

(8) Net Assets with Donor Restriction

Net assets with donor restriction at December 31, 2023 and 2022 are all available for expenditure on quality care services and administration.

(9) Subsequent Events

Management of RVP has evaluated events and transactions occurring after December 31, 2023 through July 16, 2024, 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.