

Returning Veterans Project

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

Years Ended December 31, 2020 and 2019

Returning Veterans Project

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INDEPENDENT AUDITOR'S REPORT

September 30, 2021

Board of Directors
Returning Veterans Project
220 NW 8th Ave
Portland, OR 97209

Report on the Financial Statements

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, 2020 and 2019, 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.

Management's Responsibility 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 of America; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

September 30, 2021
Board of Directors
Returning Veterans Project
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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Returning Veterans Project as of December 31, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Mark Schwing CPA PC". The signature is written in a cursive, flowing style.

Mark Schwing CPA PC

**Returning Veterans Project
Statements of Financial Position
December 31, 2020 and 2019**

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
Current Assets		
Cash	\$ 218,448	\$ 191,604
Grants and Contributions Receivable	32,500	30,210
Prepaid Expenses	5,745	5,876
Total Current Assets	<u>256,693</u>	<u>227,690</u>
 Total Assets	 <u>\$ 256,693</u>	 <u>\$ 227,690</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accrued Compensated Absences	\$ 6,759	\$ 7,876
Total Current Liabilities	<u>6,759</u>	<u>7,876</u>
 Net Assets		
Without Donor Restriction	166,934	114,126
With Donor Restriction	83,000	105,688
Total Net Assets	<u>249,934</u>	<u>219,814</u>
 Total Liabilities and Net Assets	 <u>\$ 256,693</u>	 <u>\$ 227,690</u>

Returning Veterans Project
Statements of Activities
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support						
Foundation Grants	\$ 95,750	\$ 83,000	\$ 178,750	\$ 93,412	\$ 105,688	\$ 199,100
Contributions	138,505	-	138,505	154,881	-	154,881
Volunteer-Contributed Services	312,678	-	312,678	384,138	-	384,138
Debt Forgiveness of PPP loan	39,569	-	39,569	-	-	-
Fees and Other Revenues	16	-	16	5,684	-	5,684
Net Assets Released from Restriction	105,688	(105,688)	-	80,500	(80,500)	-
Total Revenue and Support	<u>692,206</u>	<u>(22,688)</u>	<u>669,518</u>	<u>718,615</u>	<u>25,188</u>	<u>743,803</u>
Expenses						
Program Services						
Network	408,880	-	408,880	485,575	-	485,575
Training	32,819	-	32,819	59,964	-	59,964
Outreach	96,200	-	96,200	109,285	-	109,285
Support Services						
Management and General	63,751	-	63,751	72,466	-	72,466
Fundraising	37,748	-	37,748	47,688	-	47,688
Total Expenses	<u>639,398</u>	<u>-</u>	<u>639,398</u>	<u>774,978</u>	<u>-</u>	<u>774,978</u>
Change in Net Assets	52,808	(22,688)	30,120	(56,363)	25,188	(31,175)
Net Assets, Beginning of Year	<u>114,126</u>	<u>105,688</u>	<u>219,814</u>	<u>170,489</u>	<u>80,500</u>	<u>250,989</u>
Net Assets, End of Year	<u>\$ 166,934</u>	<u>\$ 83,000</u>	<u>\$ 249,934</u>	<u>\$ 114,126</u>	<u>\$ 105,688</u>	<u>\$ 219,814</u>

**Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2020**

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2020
Personnel	\$ 68,130	\$ 23,056	\$ 69,107	\$ 160,293	\$ 46,121	\$ 23,144	\$ 69,265	\$ 229,558
Volunteer-Contributed Services	312,678	-	-	312,678	-	-	-	312,678
Therapy Activities	-	-	-	-	-	-	-	-
Training	-	1,243	-	1,243	-	-	-	1,243
Fundraising	-	-	-	-	-	4,487	4,487	4,487
Outreach	-	-	1,195	1,195	-	114	114	1,309
Events	-	-	-	-	-	-	-	-
Bank Fees	315	92	287	694	192	99	291	985
Board of Directors	158	53	158	369	616	53	669	1,038
Insurance	2,787	17	53	2,857	35	18	53	2,910
Internet	29	10	29	68	20	10	30	98
Licenses and Taxes	82	27	82	191	114	27	141	332
Office Supplies	576	192	582	1,350	384	1,092	1,476	2,826
Postage	89	30	359	478	101	163	264	742
Printing and Copies	1,305	451	1,402	3,158	870	516	1,386	4,544
Professional Services	16,345	5,448	16,345	38,138	10,897	5,808	16,705	54,843
Rent	5,879	2,031	6,094	14,004	4,063	2,032	6,095	20,099
Telephone	507	169	507	1,183	338	185	523	1,706
Total Expenses	<u>\$ 408,880</u>	<u>\$ 32,819</u>	<u>\$ 96,200</u>	<u>\$ 537,899</u>	<u>\$ 63,751</u>	<u>\$ 37,748</u>	<u>\$ 101,499</u>	<u>\$ 639,398</u>
Percentage of 2020 Grand Totals	<u>63.9%</u>	<u>5.1%</u>	<u>15.0%</u>	<u>84.1%</u>	<u>10.0%</u>	<u>5.9%</u>	<u>15.9%</u>	<u>100.0%</u>

**Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2019**

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2019
Personnel	\$ 68,152	\$ 23,142	\$ 69,469	\$ 160,763	\$ 48,261	\$ 23,365	\$ 71,626	\$ 232,389
Volunteer-Contributed Services	384,138	-	-	384,138	-	-	-	384,138
Therapy Activities	872	-	-	872	-	-	-	872
Training	-	25,352	-	25,352	-	-	-	25,352
Fundraising	-	-	-	-	-	7,719	7,719	7,719
Outreach	35	42	4,971	5,048	23	1,457	1,480	6,528
Events	-	-	-	-	-	860	860	860
Bank Fees	308	105	314	727	209	592	801	1,528
Board of Directors	-	-	-	-	-	-	-	-
Insurance	73	24	73	170	2,793	24	2,817	2,987
Internet	22	7	22	51	17	7	24	75
Licenses and Taxes	131	44	131	306	87	44	131	437
Office Supplies	556	353	679	1,588	332	1,187	1,519	3,107
Postage	208	81	412	701	103	133	236	937
Printing and Copies	1,362	578	2,722	4,662	848	734	1,582	6,244
Professional Services	21,441	7,457	22,154	51,052	14,234	8,725	22,959	74,011
Rent	7,710	2,570	7,710	17,990	5,140	2,570	7,710	25,700
Telephone	567	209	628	1,404	419	271	690	2,094
Total Expenses	\$ 485,575	\$ 59,964	\$ 109,285	\$ 654,824	\$ 72,466	\$ 47,688	\$ 120,154	\$ 774,978
Percentage of 2019 Grand Totals	62.7%	7.7%	14.1%	84.5%	9.4%	6.2%	15.5%	100.0%

**Returning Veterans Project
Statements of Cash Flows
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 30,120	\$ (31,175)
Net Change in Operating Assets and Liabilities		
Grants and Contributions Receivable	(2,290)	(10,636)
Prepaid Expense	131	(147)
Accrued Liabilities	-	(171)
Accrued Compensated Absences	(1,117)	2,590
Net Cash Provided (Used) by Operating Activities	<u>26,844</u>	<u>(39,539)</u>
Net Change in Cash	<u>26,844</u>	<u>(39,539)</u>
Cash, Beginning of Year	<u>191,604</u>	<u>231,143</u>
Cash, End of Year	<u><u>\$ 218,448</u></u>	<u><u>\$ 191,604</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, 2020 and 2019**

(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:

**Returning Veterans Project
Notes to Financial Statements
December 31, 2020 and 2019**

(3) Summary of Significant Accounting Policies – continued

Basis of Presentation – continued

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

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.

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, 2020 and 2019, there were no fixed assets.

**Returning Veterans Project
Notes to Financial Statements
December 31, 2020 and 2019**

(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, 2017 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, 2020 and 2019.

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.

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) 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>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 218,448	\$ 191,604
Grants and contributions receivable	<u>32,500</u>	<u>30,210</u>
Total financial assets	250,948	221,814
Less amounts not available to be used within one year	<u>-</u>	<u>25,000</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 250,948</u>	<u>\$ 196,814</u>

**Returning Veterans Project
Notes to Financial Statements
December 31, 2020 and 2019**

(4) Liquidity and Availability of Financial Assets – continued

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 identifies the sources and uses of RVP's cash flows.

(5) 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 2020 and 2019, RVP volunteer providers donated 2,603 and 3,478 hours, respectively. The value of these donated healthcare services that are included in the financial statements for the years ended December 31, 2020 and 2019 are \$312,678 and \$384,138, respectively.

(6) Operating Leases

RVP rents an administrative office under a month-to-month agreement. Office rent expense totaled \$20,099 and \$25,700 for the years ended December 31, 2020 and 2019, respectively.

(7) 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

**Returning Veterans Project
Notes to Financial Statements
December 31, 2020 and 2019**

(7) Paycheck Protection Program Loan - continued

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. As of December 31, 2020, the Company accounted for these loans in accordance with ASC 470.

On May 1, 2020, RVP received loan proceeds under the PPP in the amount of \$39,569. The loan carries a fixed interest rate of 1% per annum. No payments were due under the loan for six months from the date of the first disbursement under the loan (“deferral period”), and interest continued to accrue during the deferral period. RVP applied for forgiveness of the loan and was granted full forgiveness of the loan on October 29, 2020. The loan forgiveness is recorded as debt forgiveness on the Statement of Activities during the year-ended December 31, 2021.

(8) COVID-19

RVP’s operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on RVP’s financial position, activities, and cash flows. Possible effects may include, but are not limited to, loss of funding and absenteeism in RVP’s staff. However, management of RVP believes it has taken necessary precautions to minimize the effects of COVID-19 on its operations.

(9) Subsequent Events

Management of RVP has evaluated events and transactions occurring after December 31, 2020 through September 30, 2021, 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.