Returning Veterans Project

Financial Statements
With Independent Auditor's Report

Years Ended December 31, 2017 and 2016

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Markusen & Schwing CPAs

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INDEPENDENT AUDITOR'S REPORT

July 13, 2018

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

Report on the Financial Statements

We have audited the accompanying statements of financial position of Returning Veterans Project (a non-profit corporation) as of December 31, 2017 and 2016 and the related statements of activities and changes in net assets, functional expenses, and of 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Returning Veterans Project as of December 31, 2017 and 2016 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Markusen & Schwing

Markusen & Schwing

Returning Veterans Project
Statements of Financial Position
December 31, 2017 and 2016

ASSETS

	2017	2016
Current Assets		
Cash	$ 116,078	$ 119,215
Unconditional Contributions Receivable	3,794	-
Prepaid Expense	3,888	3,905
Total Current Assets	123,760	123,120
Total Assets	$ 123,760	$ 123,120

LIABILITIES AND NET ASSETS

	2017	2016
Current Liabilities		
Accrued Compensated Absences	$ 1,061	$ 3,582
Total Current Liabilities	1,061	3,582
Net Assets		
Unrestricted Net Assets	85,865	105,738
Temporarily Restricted - by donors for future programs and support services	36,834	13,800
Total Net Assets	122,699	119,538
Total Liabilities and Net Assets	$ 123,760	$ 123,120

Returning Veterans Project
Statements of Activities
Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
Foundation Grants	$ 70,166	$ 36,834	$ 107,000	$ 118,292	$ 13,800	$ 132,092
Contributions	176,510	-	176,510	161,733	-	161,733
Special Events	16,595	-	16,595	-	-	-
Volunteer-Contributed Services	370,110	-	370,110	381,997	-	381,997
Fees and Other Revenues	2,382	-	2,382	4,057	-	4,057
Net Assets Released from Restriction	13,800	(13,800)	-	33,166	(33,166)	-
Total Revenue and Support	649,563	23,034	672,597	699,245	(19,366)	679,879
Expenses						
Programs Services						
Network	437,248	-	437,248	451,034	-	451,034
Training	30,826	-	30,826	36,383	-	36,383
Outreach	87,555	-	87,555	90,219	-	90,219
Support Services						
Management and General	69,238	-	69,238	72,496	-	72,496
Fundraising	44,569	-	44,569	48,314	-	48,314
Total Expenses	669,436	-	669,436	698,446	-	698,446
Change in Net Assets	(19,873)	23,034	3,161	799	(19,366)	(18,567)
Net Assets, Beginning of Year	105,738	13,800	119,538	104,939	33,166	138,105
Net Assets, End of Year	$ 85,865	$ 36,834	$ 122,699	$ 105,738	$ 13,800	$ 119,538

See accompanying notes to financial statements

Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2017

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2017
Personnel	$ 45,773	$ 17,216	$ 64,668	$ 127,657	$ 51,623	$ 21,786	$ 73,409	$ 201,066
Volunteer-Contributed Services	370,110	-	-	370,110	-	-	-	370,110
Therapy Activities	3,164	-	-	3,164	-	-	-	3,164
Training	-	7,338	28	7,366	-	-	-	7,366
Fundraising	-	-	-	-	-	8,623	8,623	8,623
Outreach	280	-	2,237	2,517	-	-	-	2,517
Events	-	-	300	300	-	-	-	300
Bank Fees	299	100	299	698	200	99	299	997
Board of Directors	218	-	1,228	1,446	480	51	531	1,977
Insurance	98	33	98	229	2,849	33	2,882	3,111
Internet	472	226	493	1,191	286	254	540	1,731
Licenses and Taxes	181	9	206	396	182	160	342	738
Office Supplies	876	565	920	2,361	655	525	1,180	3,541
Postage	451	46	125	622	56	428	484	1,106
Printing and Copies	2,107	894	3,409	6,410	1,264	1,952	3,216	9,626
Professional Services	6,147	2,041	6,472	14,660	6,918	8,300	15,218	29,878
Rent	6,174	2,058	6,174	14,406	4,116	2,058	6,174	20,580
Telephone	898	300	898	2,096	609	300	909	3,005
Total Expenses	$ 437,248	$ 30,826	$ 87,555	$ 555,629	$ 69,238	$ 44,569	$ 113,807	$ 669,436
Percentage of 2017 Grand Totals	65.3%	4.6%	13.1%	83.0%	10.3%	6.7%	17.0%	100.0%

Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2016

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2016
Personnel	$ 49,668	$ 22,832	$ 67,333	$ 139,833	$ 63,137	$ 38,304	$ 101,441	$ 241,274
Volunteer-Contributed Services	381,997	-	-	381,997	-	-	-	381,997
Art Therapy	3,909	-	-	3,909	-	-	-	3,909
Training	168	8,491	-	8,659	-	-	-	8,659
Fundraising	-	-	-	-	-	998	998	998
Outreach	920	-	5,444	6,364	65	-	65	6,429
Events	-	-	178	178	-	968	968	1,146
Professional Development	297	99	297	693	92	99	191	884
Bank Fees	-	-	-	-	385	-	385	385
Board of Directors	36	-	72	108	3	197	200	308
Insurance	307	477	307	1,091	1,663	102	1,765	2,856
Internet	547	235	541	1,323	338	202	540	1,863
Licenses and Taxes	157	52	232	441	105	52	157	598
Miscellaneous Expense	-	49	-	49	-	-	-	49
Office Supplies	1,093	330	1,769	3,192	633	292	925	4,117
Postage	438	53	424	915	127	617	744	1,659
Printing and Copies	2,014	602	3,582	6,198	1,221	1,837	3,058	9,256
Professional Services	2,454	818	3,010	6,282	1,646	2,302	3,948	10,230
Rent	6,075	2,025	6,075	14,176	2,445	2,025	4,470	18,646
Telephone	954	318	954	2,227	636	318	954	3,181
Total Expenses	$ 451,034	$ 36,383	$ 90,219	$ 577,636	$ 72,496	$ 48,314	$ 120,810	$ 698,446
Percentage of 2016 Grand Totals	64.6%	5.2%	12.9%	82.7%	10.4%	6.9%	17.3%	100.0%

See accompanying notes to financial statements

Returning Veterans Project
Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Change in Net Assets	$ 3,161	$ (18,567)
Net Change in Operating Assets and Liabilities		
Contributions Receivable	(3,794)	15,443
Prepaid Expense	17	(895)
Accrued Liabilities	(2,521)	(6,050)
Net Cash (Used) by Operating Activities	(3,137)	(10,069)
Net Change in Cash	(3,137)	(10,069)
Cash, Beginning of Year	119,215	129,284
Cash, End of Year	$ 116,078	$ 119,215
Supplemental disclosure of Cash Flow information		
Cash paid during year for income taxes	$ -	$ -
Cash paid during year for interest charged to expense	$ -	$ -

(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 and the principles of fund accounting.

(3) Summary of Significant Accounting Policies – continued

Basis of Presentation – RVP has adopted the provisions of the Financial Accounting Standards Board Codification (FASB ASC). Under FASB ASC, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with 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, 2017 and 2016, there were no fixed assets.

(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, 2014 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, 2017 and 2016.

Accounting principles generally accepted in the United States of America require organization's management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if management has taken an uncertain position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service. RVP has analyzed the tax positions taken and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. RVP is subject to routine audits for any open tax years. RVP believes it is no longer subject to income tax examinations for years prior to December 31, 2014.

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 benefited. Expenses by natural classification are presented in the statement of functional expenses.

(4) 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 2017 and 2016, RVP volunteer providers donated 3,947 and 4,243 hours, respectively. The value of these donated healthcare services that are included in the financial statements for the years ended December 31, 2017 and 2016 are $370,110 and $381,997, respectively.

(5) Operating Leases

RVP rents an administrative office under a month-to-month agreement. Office rent expense totaled $20,580 and $18,646 for the years ended December 31, 2017 and 2016, respectively.

(6) Subsequent Events

Management of RVP has evaluated events and transactions occurring after December 31, 2017 through July 13, 2018, 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.