Returning Veterans Project

Financial Statements
With Independent Auditors' Report

Years Ended December 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

July 14, 2016

Board of Directors
Returning Veterans Project
Portland, Oregon

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, 2015 and 2014 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.

Auditors' 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.

July 14, 2016
Board of Directors
Returning Veterans Project

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, 2015 and 2014 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
as of December 31, 2015 and 2014

ASSETS

		2015		2014
Current Assets				
Cash	$	129,284	$	163,618
Unconditional Contributions Receivable		15,443		15,393
Prepaid Expense		3,010		2,025
Total Current Assets		147,737		181,036
Total Assets	$	147,737	$	181,036

LIABILITIES AND NET ASSETS

		2015		2014
Current Liabilities				
Payroll Liabilities	$	4,461	$	8,051
Accrued Compensated Absences		5,171		2,689
Total Current Liabilities		9,632		10,740
Net Assets				
Unrestricted Net Assets		104,939		137,991
Temporarily Restricted - by donors for future programs and support services		33,166		32,305
Total Net Assets		138,105		170,296
Total Liabilities and Net Assets	$	147,737	$	181,036

See accompanying notes to financial statements and independent auditors' report

Returning Veterans Project
Statements of Activities
Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
Foundation Grants	$ 92,278	$ 33,166	$ 125,444	$ 39,350	$ 96,500	$ 135,850
Contributions	158,671	-	158,671	160,569	-	160,569
Special Events	9,284	-	9,284	-	-	-
Volunteer-Contributed Services	411,757	-	411,757	414,370	-	414,370
Fees and Other Revenues	1,462	-	1,462	-	-	-
Net Assets Released from Restriction	32,305	(32,305)	-	68,153	(68,153)	-
Total Revenue and Support	705,757	861	706,618	682,442	28,347	710,789
Expenses						
Programs Services						
Network	481,176	-	481,176	454,802	-	454,802
Training	31,293	-	31,293	16,746	-	16,746
Outreach	95,381	-	95,381	70,685	-	70,685
Support Services						
Management and General	73,852	-	73,852	31,931	-	31,931
Fundraising	57,107	-	57,107	44,123	-	44,123
Total Expenses	738,809	-	738,809	618,287	-	618,287
Change in Net Assets	(33,052)	861	(32,191)	64,155	28,347	92,502
Net Assets, Beginning of Year	137,991	32,305	170,296	73,836	3,958	77,794
Net Assets, End of Year	$ 104,939	$ 33,166	$ 138,105	$ 137,991	$ 32,305	$ 170,296

See accompanying notes to financial statements and independent auditors' report

Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2015

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2015
Personnel	$ 43,623	$ 19,050	$ 65,045	$ 127,718	$ 61,754	$ 40,786	$ 102,540	$ 230,258
Volunteer-Contributed Services	411,757	-	-	411,757	-	-	-	411,757
Art Therapy	5,975	-	2	5,977	-	-	-	5,977
Training	411	5,915	-	6,326	-	-	-	6,326
Fundraising	-	-	-	-	-	4,872	4,872	4,872
Outreach	930	11	7,213	8,154	50	97	147	8,301
Events	-	-	3,473	3,473	-	3,173	3,173	6,646
Professional Development	116	39	306	461	157	194	351	812
Bank Fees	365	121	365	851	795	122	917	1,768
Board of Directors	424	424	283	1,131	1,226	141	1,367	2,498
Insurance	380	127	380	887	253	127	380	1,267
Internet	567	189	567	1,323	380	189	569	1,892
Licenses and Taxes	103	34	178	315	68	34	102	417
Miscellaneous Expense	1,663	-	229	1,892	517	-	517	2,409
Office Supplies	2,293	802	2,230	5,325	1,594	801	2,395	7,720
Postage	835	56	543	1,434	146	574	720	2,154
Printing and Copies	2,477	353	2,647	5,477	784	2,755	3,539	9,016
Professional Services	2,735	912	3,505	7,152	1,848	1,102	2,950	10,102
Rent	5,426	1,809	5,426	12,661	3,617	1,809	5,426	18,087
Telephone	884	295	884	2,063	591	295	886	2,949
Travel and Lodging	212	1,156	2,105	3,473	72	36	108	3,581
Total Expenses	$ 481,176	$ 31,293	$ 95,381	$ 607,850	$ 73,852	$ 57,107	$ 130,959	$ 738,809
Percentage of 2015 Grand Totals	65.1%	4.2%	12.9%	82.3%	10.0%	7.7%	17.7%	100.0%

See accompanying notes to financial statements and independent auditors' report

Returning Veterans Project
Statement of Functional Expense
Year Ended December 31, 2014

	PROGRAM SERVICES				SUPPORT SERVICES			GRAND TOTALS
	Network	Training	Outreach	Total	Management & General	Fundraising	Total	2014
Personnel	$ 25,500	$ 12,342	$ 43,310	$ 81,152	$ 23,119	$ 35,498	$ 58,617	$ 139,769
Volunteer-Contributed Services	414,370	-	-	414,370	-	-	-	414,370
Training	1,716	-	1,716	3,432	-	-	-	3,432
Fundraising	-	-	-	-	-	4,219	4,219	4,219
Outreach	-	-	12,439	12,439	-	-	-	12,439
Events	223	74	224	521	149	74	223	744
Professional Development	587	196	588	1,371	391	196	587	1,958
Bank Fees	298	99	298	695	199	100	299	994
Board of Directors	837	279	838	1,954	558	279	837	2,791
Insurance	72	24	72	168	48	24	72	240
Internet	332	111	332	775	222	111	333	1,108
Licenses and Taxes	62	21	62	145	42	21	63	208
Miscellaneous Expense	215	71	215	501	143	71	214	715
Office Supplies	2,223	741	2,224	5,188	1,482	741	2,223	7,411
Postage	540	180	540	1,260	360	180	540	1,800
Printing and Copies	1,369	456	1,369	3,194	912	456	1,368	4,562
Professional Services	2,490	830	2,490	5,810	1,660	830	2,490	8,300
Rent	3,034	1,011	3,034	7,079	2,023	1,011	3,034	10,113
Telephone	659	219	659	1,537	439	220	659	2,196
Travel and Lodging	275	92	275	642	184	92	276	918
Total Expenses	$ 454,802	$ 16,746	$ 70,685	$ 542,233	$ 31,931	$ 44,123	$ 76,054	$ 618,287
Percentage of 2014 Grand Totals	73.6%	2.7%	11.4%	87.7%	5.2%	7.1%	12.3%	100.0%

See accompanying notes to financial statements and independent auditors' report

Returning Veterans Project
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in Net Assets	$ (32,191)	$ 92,502
Net Change in Operating Assets and Liabilities		
Contributions Receivable	(50)	709
Prepaid Expense	(985)	(700)
Accounts Payable and Accrued Liabilities	(1,108)	(2,465)
Net Cash Provided (Used) by Operating Activities	(34,334)	90,046
Net Change in Cash	(34,334)	90,046
Cash, Beginning of Year	163,618	73,572
Cash, End of Year	$ 129,284	$ 163,618

See accompanying notes to financial statements and independent auditors' report

(1) The Organization

Returning Veterans Project is a nonprofit organization comprised of community-based independent health care practitioners who offer free and confidential services to post-9/11 war zone veterans, service members and their families. Our volunteers include mental health professionals, acupuncturists, naturopaths, chiropractors, massage therapists, and other complementary health care providers. In 2015 and 2014, the Returning Veterans Project volunteer providers donated 4,378 hours and 4,375 hours, respectively, of free care in Oregon and Southwest Washington.

(2) Program Services

During the years ended December 31, 2015 and 2014, the organization incurred program service expenses in the following major categories:

Network Programs – Work as a conduit for healthcare practitioners to provide confidential, free services to returning veterans and their families. These programs provide services from mental health professionals, acupuncturists, naturopaths, chiropractors, massage therapists and other complementary health care practitioners.

Training Programs – Work to educate the community through speaking engagements to raise awareness of the challenges experienced by returning veterans and their families. These programs also offer continuing education workshops to further train their volunteer healthcare providers.

Outreach Programs – Serve as an information source for veterans and their families, professional providers, military and community-based organizations. Outreach activities include distributing brochures, information and referral services, media interviews and task force and panel participation.

(3) Summary of Significant Accounting Policies

The significant accounting policies followed by the organization 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.

Basis of Presentation – The organization 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.

(3) Summary of Significant Accounting Policies – continued

Basis of Presentation – continued
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, 2015 and 2014, there were no fixed assets.

Revenue Recognition – All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Contract and other service revenues are recognized at the time services are provided and the revenues are earned.

Federal and State Taxes – Returning Veterans Project 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 Returning Veterans Project's present activities are subject to unrelated business income taxes; therefore, no provisions for income taxes have been made in the accompanying financial statements.

Returning Veterans Project 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, 2012 are considered closed. In the event penalties and interest are assessed by income taxing authorities, it is Returning Veterans Project's policy to include these in operating expenses. No penalties and interest were assessed for the years ended December 31, 2015 and 2014.

(3) Summary of Significant Accounting Policies – continued

Federal and State Taxes – continued
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. Returning Veterans Project has analyzed the tax positions taken and has concluded that as of December 31, 2015, 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. Returning Veterans Project is subject to routine audits for any open tax years. Returning Veterans Project believes it is no longer subject to income tax examinations for years prior to December 31, 2012.

Concentration of Economic Risk – Returning Veterans Project receives a substantial portion of its funding from charitable foundations. If these funds were not available, the Organization might have difficulty continuing operations. In the opinion of management, Returning Veterans Project 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 the organization 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

The organization 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. The Organization 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.

Returning Veterans Project determined the hourly rates of donated healthcare services using their current providers' fee structure. The value of these donated healthcare services that are included in the financial statements for the years ended December 31, 2015 and 2014 are $411,757 and $414,370, respectively.

(5) Operating Leases

The organization rents an administrative office under a month-to-month agreement. Office rent expense totaled $18,087 and $10,113 for the years ended December 31, 2015 and 2014, respectively.

(6) Subsequent Events

Management of Returning Veterans Project has evaluated events and transactions occurring after December 31, 2015 through July 14, 2016, 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.