

CAN DO MULTIPLE SCLEROSIS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

As of December 31, 2024 and 2023





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INDEPENDENT AUDITORS' REPORT

Board of Directors
Can Do Multiple Sclerosis

Opinion

We have audited the accompanying financial statements of Can Do Multiple Sclerosis (a non-profit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Can Do Multiple Sclerosis as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Can Do Multiple Sclerosis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, 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 Can Do Multiple Sclerosis' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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, we:

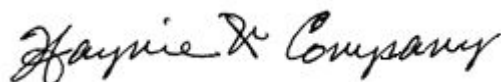
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Can Do Multiple Sclerosis' 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Can Do Multiple Sclerosis' ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Can Do Multiple Sclerosis' 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sincerely,

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado
March 10, 2025

Can Do Multiple Sclerosis
Statement of Financial Position
December 31, 2024
(With Comparative Totals as of December 31, 2023)

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$ 269,507	\$ 151,664
Investments	1,442,520	1,380,205
Accounts receivable	780	249,270
Promises to give - Current	12,500	12,500
Prepaid expense	76,180	54,640
Inventory	-	905
Total current assets	<u>1,801,487</u>	<u>1,849,184</u>
Noncurrent Assets:		
Property and Equipment:		
Furnishings and equipment	32,880	32,880
Less: Accumulated depreciation	<u>(32,880)</u>	<u>(32,880)</u>
Net property and equipment	-	-
Lease:		
Right-of-use asset for operating leases	390,736	382,576
Less: accumulated amortization	<u>(217,792)</u>	<u>(143,072)</u>
Right-of-use asset for operating leases, net	172,944	239,504
Promises to give - Long term	<u>12,500</u>	<u>25,000</u>
Total Assets	<u><u>\$ 1,986,931</u></u>	<u><u>\$ 2,113,688</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	\$ 13,228	\$ 47,001
Accrued liabilities	135,562	175,930
Deferred revenue	142,155	73,982
Lease commitments - Current portion	<u>80,535</u>	<u>76,949</u>
Total current liabilities	371,480	373,862
Noncurrent Liabilities:		
Lease commitments - Long-term portion	101,957	176,346
Net assets:		
Without donor restrictions	1,488,494	1,525,980
With donor restrictions (Note 6)	<u>25,000</u>	<u>37,500</u>
Total net assets	<u>1,513,494</u>	<u>1,563,480</u>
Total liabilities and net assets	<u><u>\$ 1,986,931</u></u>	<u><u>\$ 2,113,688</u></u>

The accompanying notes are an integral part of these financial statements.

CAN DO MULTIPLE SCLEROSIS

Statement of Activities

For the Year Ended December 31, 2024

(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restricted	Total	Total
Support and Revenue:				
Grants - pharma & foundations	\$ 808,500	\$ -	\$ 808,500	\$ 1,101,500
Contributions	559,662	-	559,662	432,519
Education & sponsorships	406,885	-	406,885	245,371
Special events	513,936	-	513,936	515,387
Can Do Strong campaign	110,300	-	110,300	118,000
Other revenue	7,379	-	7,379	5,849
Net assets released from restrictions:				
Satisfaction of time restrictions	12,500	(12,500)	-	-
Total support and revenue	2,419,162	(12,500)	2,406,662	2,418,626
Expenses:				
Program Services	1,948,294	-	1,948,294	1,931,485
Supporting services -				
Management and general	425,356	-	425,356	473,717
Fundraising	280,057	-	280,057	354,198
Total Supporting Services	705,413	-	705,413	827,915
Total Expenses	2,653,707	-	2,653,707	2,759,399
Other Income (Expenses):				
Interest income	11,952	-	11,952	2,336
Net investment income (expense)	185,107	-	185,107	133,960
Other income	-	-	-	249,270
Total Other Income (Expenses)	197,059	-	197,059	385,566
Change in Net Assets	(37,486)	(12,500)	(49,986)	44,793
Net Assets Beginning of Year	1,525,980	37,500	1,563,480	1,518,687
Net Assets End of Year	\$ 1,488,494	\$ 25,000	\$ 1,513,494	\$ 1,563,480

The accompanying notes are an integral part of these financial statements.

CAN DO MULTIPLE SCLEROSIS
Statement of Cash Flows
For the Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Changes in net assets	\$ (49,986)	\$ 44,793
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	-	966
Investment (gains) losses	(185,107)	(133,960)
Non-cash lease expense	(4,242)	13,133
Net changes in:		
Promises to give	12,500	(37,500)
Accounts receivable	248,490	(249,270)
Prepaid expenses	(21,540)	60,247
Inventory	905	27,369
Accounts payable	(33,774)	37,627
Deferred revenue	68,173	(10,929)
Accrued liabilities	(40,368)	420
Net cash from operating activities	<u>(4,949)</u>	<u>(247,104)</u>
Cash flows from investing activities		
Sale of investments	<u>122,792</u>	<u>187,091</u>
Net cash from investing activities	<u>122,792</u>	<u>187,091</u>
Net change in cash and cash equivalents	117,843	(60,013)
Cash balance—beginning of year	<u>151,664</u>	<u>211,677</u>
Cash balance—end of year	<u><u>\$ 269,507</u></u>	<u><u>\$ 151,664</u></u>
Supplemental disclosure information for Statement of Cash Flows:		
Cash paid for interest	\$ 2,449	\$ 3,201

The accompanying notes are an integral part of these financial statements.

CAN DO MULTIPLE SCLEROSIS

Statement of Functional Expenses

For the Year Ended December 31, 2024

(With Summarized Comparative Totals for the Year Ended December 31, 2023)

		Supporting Services			
	Program Services	Fundraising	Management and General	Total 2024	Total 2023
Salaries	\$ 736,722	\$ 186,470	\$ 283,216	\$ 1,206,408	\$ 1,293,960
Payroll taxes and employee benefits	154,909	39,209	59,551	253,670	247,398
Total salaries, payroll taxes, and employee benefits	891,631	225,679	342,767	1,460,078	1,541,358
Programs & content	452,193	-	-	452,192	372,647
Education & technology	235,973	16,116	24,477	276,566	294,027
Core mission support	254,419	9,495	14,421	278,335	351,968
Contract labor	74,927	18,965	28,804	122,696	74,900
Occupancy	37,231	9,423	14,312	60,966	92,962
Non operating expenses	1,920	379	575	2,874	31,537
Total Expenses	<u>\$ 1,948,294</u>	<u>\$ 280,057</u>	<u>\$ 425,356</u>	<u>\$ 2,653,707</u>	<u>\$ 2,759,399</u>

The accompanying notes are an integral part of these financial statements.

Can Do Multiple Sclerosis

Notes to Financial Statements

December 31, 2024

1. Organization

Can Do Multiple Sclerosis (the "Organization") was established in 1984 under the organization's former name, The Jimmie Heuga Center, to offer Multiple Sclerosis programs based on the philosophy of founder, Jimmie Heuga: That a person can have a chronic disease and also maintain their health. The Organization leads the way with comprehensive programs that empower people and families living with Multiple Sclerosis to transform and improve their quality of life. Programs include education, nutrition, exercise, and overall mental well being. The Organization is supported primarily through grants, contributions and fundraising. In 2009, the name was changed from The Jimmie Heuga Center, DBA The Heuga Center, to Can Do Multiple Sclerosis.

2. Summary of Significant Accounting Policies

Method of Accounting

The Organization's records are maintained on the accrual basis of accounting in conformity with generally accepted accounting principles as applicable to nonprofit organizations.

Basis of Presentation

The financial statements follow the Accounting Standards Codification (ASC) guidance for not-for-profit organizations, the Organization is required to report information regarding its financial position according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports that support as an increase in net assets without donor restrictions.

Can Do Multiple Sclerosis

Notes to Financial Statements (continued)

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all demand deposits and highly liquid investments with a maturity of three months or less when purchased, except those with restrictions, to be cash equivalents. The Organization's cash deposits are held at financial institutions at which deposits are insured up to \$250,000 per institution by the FDIC. As of December 31, 2024 and 2023, cash deposits did not exceed the FDIC's insurance limit.

Investments

Investments in equities, fixed income and exchange traded funds accounts are reported at their fair value in the statements of financial position. Investment income, gains, and losses are reported in the statements of activities.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable represent amounts due from third parties and are stated on a net basis. The Organization considers the receivable amounts to be fully collectible, accordingly, no allowance for credit loss was deemed necessary as of December 31, 2024. The Organization utilizes a current expected credit loss model to evaluate the balance required in the allowance for credit losses.

Promises to Give

Promises to give are recorded as receivables and revenue when received. The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows. As of December 31, 2024, promises to give were \$25,000 with \$12,500 due in less than one year and \$12,500 due the next one to two years; as of December 31, 2023, promises to give were \$37,500.

Inventory

Inventory, which consists of items donated for promotional items used at events, is stated at the lower of cost or market value on the date of the donation.

Property and Equipment

Purchased furnishings and equipment are recorded at cost. Donated furnishings and equipment are recorded at fair market value at the date of donation. Acquisitions in excess of \$3,000 are capitalized. Depreciation is computed on the straight-line method over estimated useful lives of between three and five years. Repairs and maintenance are charged to expense as incurred.

Can Do Multiple Sclerosis

Notes to Financial Statements (continued)

December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Program Revenue

Revenue is recognized when the related performance obligation is completed. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contributions and Grants

Contributions and grants of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Contributions and grants received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions and grants that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restriction and then released from restriction.

Donated Services

Donated services, materials, and facilities, which meet the criteria for recognition under generally accepted accounting principles in the United States, are recorded in the accompanying financial statements at fair market value as of the date of donation.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs, fundraising, and management and general categories. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries, benefits and payroll taxes	Time and effort
Programs & contents	Time and effort
Education & technology	Time and effort
Core mission support	Time and effort
Contract labor	Time and effort
Occupancy	Time and effort
Non-operating expenses	Time and effort

Can Do Multiple Sclerosis
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates.

Prior-Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Tax Exempt Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. During 2024, the Organization had no unrelated business activities and believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal tax returns (Form 990) for 2024 and 2023 are subject to examination by the IRS, generally for three years after the returns are filed.

Subsequent Events

The Organization evaluated all events or transactions that occurred after December 31, 2024 through March 10, 2025, the date the financial statements were available to be issued. During this period, the Organization was not aware of any material recognizable subsequent events other than the below.

Can Do Multiple Sclerosis

Notes to Financial Statements (continued)

December 31, 2024

3. Availability and Liquidity

The following represents Can Do Multiple Sclerosis' financial assets available within one year of the balance sheet date for general expenditures:

	<u>2024</u>	<u>2023</u>
Financial assets at period end:		
Cash and cash equivalents	\$ 269,507	\$ 151,664
Investments	1,442,520	1,380,205
Accounts receivable	780	249,270
Promises to give - Current	12,500	12,500
Total financial assets	<u>1,725,307</u>	<u>1,793,639</u>
Donor-imposed restrictions:		
Funds subject to time restrictions	(25,000)	(37,500)
Board designations:		
Stability reserve	<u>(40,963)</u>	<u>(40,963)</u>
Financial assets available to meet general expenditures		
Over the next twelve months	<u>\$ 1,659,344</u>	<u>\$ 1,715,176</u>

As part of the Organization's liquidity management plan, it invests excess cash in investments & short-term money market funds. Board designated stability reserve funds may be used for true emergency situations when cash is depleted and expenditures cannot be prevented, reduced or deferred.

4. Investments

Investments are carried at fair value on quoted prices in active markets (see Note 5). Investments consisted of the following at December 31, 2024 and 2023:

<u>Description</u>	<u>2024</u>	<u>2023</u>
Equities	\$ 231,267	\$ 401,125
Fixed income	240,601	342,359
Mutual Funds	29,812	-
Exchange traded products	940,840	636,721
	<u>\$ 1,442,520</u>	<u>\$ 1,380,205</u>

Can Do Multiple Sclerosis

Notes to Financial Statements (continued)

December 31, 2024

4. Investments (continued)

Investment income, fees and changes in fair value for the years ended December 31, 2024 and 2023 is summarized as follows:

<u>Description</u>	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 70,018	\$ 60,577
Gains (losses) and changes in fair value	131,557	85,530
Less: management fees	(16,468)	(12,147)
Net investment income (loss)	<u>\$ 185,107</u>	<u>\$ 133,960</u>

5. Fair Value Measurements

Generally, for investments, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. When the fair value of assets or liabilities, such as promises to give, cannot be determined in this manner, fair value is estimated using the present value of expected cash flows, discounted using current market rate assumptions. Accounting standards provide a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (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 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 – Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

All the Organization's investments are considered to be Level 1 as of December 31, 2024 and 2023, and are measured as such.

Can Do Multiple Sclerosis

Notes to Financial Statements (continued)

December 31, 2024

6. Net Assets

Net assets with donor restrictions as of December 31, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Contributions restricted for time	\$ 25,000	\$ 37,500
Total Net Assets with Donor Restrictions	<u>\$ 25,000</u>	<u>\$ 37,500</u>

Net assets without donor restrictions as of December 31, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Without donor restriction	\$ 1,447,531	\$ 1,485,017
Without donor restriction - Board designated stability reserve	40,963	40,963
Total Net Assets without Donor Restrictions	<u>\$ 1,488,494</u>	<u>\$ 1,525,980</u>

7. Leasing Arrangements

The organization leases certain office spaces and subleases units within that space under operating leases. The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The Organization's office space includes rent increases based on the Consumer Price Index (CPI) each lease year. This lease expires in 2027. During the years ended December 31, 2024 and 2023, lease expenses under this operating agreement was \$81,413 and \$66,503 respectively. Other operating lease expenses under this lease totaled \$41,667 and \$39,873, respectively.

Right-of-use assets recorded under this operating lease was \$390,736 and \$382,576, respectively. This change was due to a lease modification in 2024 from the CPI rent increase. These assets are recorded net of accumulated amortization of \$217,792 and \$143,072 as of December 31, 2024 and 2023, respectively.

Subleases with an initial term of 12 months or less are not recorded on the balance sheet. Lease income is recognized when payment is received and is netted against rent expense. During 2024 and 2023, \$63,507 and \$26,454 was received in sublease income, respectively.

Can Do Multiple Sclerosis

Notes to Financial Statements (continued)

December 31, 2024

7. Leasing Arrangements (continued)

As the leases did not provide an implicit rate, the Organization used the risk-free rate based on information available at the commencement date in determining the present value of lease payments. The discount rate is 1.13% and the weighted average remaining lease term is 2.25.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2024 were as follows:

	2025	\$	82,104
	2026		82,104
	2027		20,526
			<hr/>
Total payments before interest			184,734
Less: imputed interest:			(2,242)
			<hr/>
Total future minimum lease payments:	\$		182,492
Lease commitments - current portion	\$		80,535
Lease commitments - long-term portion			101,957
			<hr/>
Total	\$		182,492

8. Letter of Credit

The building lease entered into in September 2013, requires a \$25,000 letter of credit. The letter was signed in November 2013 and is held with US Bank. The interest rate of the letter of credit is the US Bank Prime Rate.

There was no balance due in relation to this letter of credit as of December 31, 2024 and 2023.

9. Retirement Plan

The Organization implemented a tax-sheltered annuity retirement plan in April of 2005 in accordance with IRC 403(b). All permanent full-time employees are eligible to participate in the plan immediately and receive employer matching after six months of service. This plan was amended during 2024 which changed the employer matching. For employees hired before February 2024, Organization matches 100% of each employee's annual contribution up to 10% of the employee's paycheck each pay period. All amounts contributed, including the matching contribution, vest immediately. For all employees hired after February 1, 2024, the vesting schedule on the employer match starts at 20% and increases with year of service, until fully vested at year five. For the years ended December 31, 2024 and 2023, the Organization's contributions amounted to \$75,047 and \$62,163, respectively.