

CAN DO MULTIPLE SCLEROSIS

Financial Statements and Report of
Independent Certified Public Accountants

**As of December 31, 2022 (With Summarized
Financial Information as of December 31, 2021)**




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Board of Directors
Can Do Multiple Sclerosis

Opinions

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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, 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 Opinions

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 Auditor's 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; 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.

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.

Auditor's 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 auditor's 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, including omissions, 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:

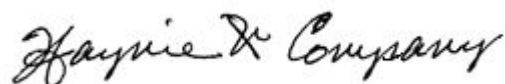
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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' 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 13, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sincerely,



Littleton, Colorado
May 31, 2023

Can Do Multiple Sclerosis
Statement of Financial Position
December 31, 2022

(With Summarized Financial Information for the year ended December 31, 2021)

	2022	2021
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,601,359	\$ 2,378,205
Prepaid expense	114,887	99,973
Inventory	28,274	26,191
Total Current Assets	1,744,520	2,504,369
Property and Equipment:		
Furnishings and equipment	32,880	32,880
Less: Accumulated depreciation	(31,914)	(30,948)
Net property and equipment	966	1,932
Lease:		
Right-of-use asset for operating leases	382,216	-
Less: accumulated amortization	(72,803)	-
Right-of-use asset for operating leases, net	309,413	-
Total Assets	\$ 2,054,899	\$ 2,506,301
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 9,374	\$ 60,262
Accrued liabilities	128,606	153,907
Deferred revenue	84,911	125,608
Lease commitments - Current portion	76,711	-
Total Liabilities	299,602	339,777
Noncurrent Liabilities:		
Lease commitments - Long-term portion	236,610	-
Total noncurrent liabilities	236,610	-
Net assets:		
Without donor restrictions	973,687	1,971,524
With donor restrictions (Note 8)	545,000	195,000
Total net assets	1,518,687	2,166,524
Total liabilities and net assets	\$ 2,054,899	\$ 2,506,301

The accompanying notes are an integral part of these financial statements

Can Do Multiple Sclerosis
Statement of Activities
For the Year Ended December 31, 2022
(With Summarized Financial Information for the year ended December 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restricted	Total	Total
Support and Revenue:				
Grants - foundations and agencies	\$ -	\$ 350,000	\$ 350,000	\$ 605,000
Contributions	681,845	-	681,845	469,128
Corporate donations	472,750	-	472,750	503,000
In-kind contributions	17,434	-	17,434	10,200
Education, seminars and symposiums	258,470	-	258,470	244,175
Special events	833,521	-	833,521	465,883
Total support and revenue	<u>2,264,020</u>	<u>350,000</u>	<u>2,614,020</u>	<u>2,297,386</u>
Expenses:				
Program Services	<u>2,457,083</u>	-	<u>2,457,083</u>	<u>2,350,270</u>
Supporting services -				
Management and general	457,771	-	457,771	205,070
Fundraising	<u>272,777</u>	-	<u>272,777</u>	<u>220,079</u>
Total Supporting Services	<u>730,548</u>	-	<u>730,548</u>	<u>425,149</u>
Total Expenses	<u>3,187,631</u>	-	<u>3,187,631</u>	<u>2,775,419</u>
Other Income (Expenses):				
Interest and dividends	19,025	-	19,025	87
SBA forgiven loan	-	-	-	220,170
Gain (loss) on assets	<u>(93,251)</u>	-	<u>(93,251)</u>	<u>145,548</u>
Total Other Income (Expenses)	<u>(74,226)</u>	-	<u>(74,226)</u>	<u>365,805</u>
Change in Net Assets	<u>(997,837)</u>	<u>350,000</u>	<u>(647,837)</u>	<u>(112,228)</u>
Net Assets Beginning of Year	<u>1,971,524</u>	<u>195,000</u>	<u>2,166,524</u>	<u>2,278,752</u>
Net Assets End of Year	<u>\$ 973,687</u>	<u>\$ 545,000</u>	<u>\$ 1,518,687</u>	<u>\$ 2,166,524</u>

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, 2022
(With Summarized Financial Information as of December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Changes in net assets	\$ (647,837)	\$ (112,228)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	966	4,962
Net changes in:		
Promises to give	-	33,750
Amount receivable	-	125,000
Prepaid expenses	(14,914)	(10,895)
Inventory	(2,083)	(5,006)
Accounts payable	(50,888)	52,558
Deferred revenue	(40,697)	(226,774)
Accrued liabilities	(25,301)	8,342
Lease commitments	<u>3,908</u>	<u>-</u>
Net cash from operating activities	<u>(776,846)</u>	<u>(130,291)</u>
Net change in cash and cash equivalents	(776,846)	(130,291)
Cash balance—beginning of year	<u>2,378,205</u>	<u>2,508,496</u>
Cash balance—end of year	<u>\$ 1,601,359</u>	<u>\$ 2,378,205</u>
Supplemental disclosure information for Statement of Cash Flows:		
Cash paid for interest	\$ 3,908	\$ -
Cash paid or amounts included in the measurement of lease liabilities:		
Operating cash flows paid for operating leases	69,896	-
Right-of-use assets obtained in exchange for lease obligations:	\$ 309,413	\$ -

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, 2022

(With Summarized Financial Information for the year ended December 31, 2021)

	Program Services	Supporting Services		Total 2022	Total 2021
		Fundraising	Management and General		
Salaries	\$ 922,337	\$ 186,700	\$ 313,317	\$ 1,422,354	\$ 1,485,711
Payroll taxes and employee benefits	178,683	36,169	60,699	275,551	276,900
Total salaries, payroll taxes, and employee benefits	1,101,020	222,869	374,016	1,697,905	1,762,611
Education	733,426	-	-	733,426	389,436
Occupancy	66,075	13,375	22,446	101,896	98,978
Printing	-	-	-	-	5,015
Professional services	72,564	2,157	3,619	78,340	22,854
Website	204,986	-	-	204,986	12,189
Advertising	26,245	-	-	26,245	31,102
Outside consulting IT	81,916	15,548	26,092	123,556	148,403
Bank charges	14,030	2,840	4,766	21,636	19,748
Office expenses	20,152	4,079	6,846	31,077	34,859
Insurance	12,174	2,464	4,136	18,774	14,343
Telephone	11,351	2,298	3,856	17,504	18,042
Supplies	5,157	1,044	1,752	7,952	17,096
Public Education	77,835	-	-	77,835	142,109
State registration	10,947	2,216	3,719	16,881	8,990
Postage	1,250	253	425	1,927	3,542
Dues and fees	915	185	311	1,411	2,273
Board meetings	12,582	2,547	4,274	19,403	10,510
Other	4,459	903	1,515	6,876	33,319
Total Expenses	\$ 2,457,083	\$ 272,777	\$ 457,771	\$ 3,187,631	\$ 2,775,419

The accompanying notes are an integral part of these financial statements

Can Do Multiple Sclerosis

Notes to Financial Statements

December 31, 2022

(With Summarized Financial Information as of December 31, 2021)

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 Accounting

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 and activities according to two classes of net assets: with donor restriction and without donor restriction.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all cash on hand and demand deposits. The Organization considers all highly liquid investments, except those with restrictions, with an original maturity of three months or less to be cash equivalents.

Promises to Give

Promises to give are recognized as temporarily restricted revenues or gains in the period pledged and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected within one year and at fair value if expected to be collected in more than one year.

Can Do Multiple Sclerosis
Notes to Financial Statements (continued)
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

2. Summary of Significant Accounting Policies (continued)

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. Leasehold improvements are depreciated over the term of the related lease. Repairs and maintenance are charged to expense as incurred. Amortization relating to capitalized leases is calculated over the estimated useful life of the assets using the straight-line method and is included in depreciation.

Revenue Recognition

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 are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Contributions and Grants

A contribution that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction. When a donor restriction expires, that is, when the purpose restriction is accomplished by an expenditure meeting the stated purpose or a time restriction ends, the net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as a transfer in satisfaction of program restrictions.

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.

Can Do Multiple Sclerosis
Notes to Financial Statements (continued)
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

2. Summary of Significant Accounting Policies (continued)

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 program, fund raising, 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 and benefits	Time and effort
Administrative expenses	Time and effort
Legal and professional fees	Time and effort
Advertising, Marketing, and Fundraising	Time and effort

Adoption of Accounting Standards Update No. 2016-02 “Leases (Topic 842)”

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 “Leases (Topic 842)” (ASU 2016-02). Under the new guidance, lessees are required to recognize for all leases (with the exception of short-term leases) a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of a specified asset for the lease term.

Effective January 1, 2022, the Organization adopted ASU 2016-02, as discussed further in Note 7. All amounts and disclosures set forth in this report have been updated to comply with this new standard with results for reporting periods beginning after January 1, 2022, presented under ASU 2016-02, while prior period amounts and disclosures are not adjusted and continue to be reported under the accounting standards in effect for the prior period.

The Organization adopted the requirements of ASU 2016-02 utilizing the modified retrospective method of transition to identified leases as of January 1, 2022 (the “effective date”). The recognition of additional operating lease liabilities was \$76,711 for the current portion and \$236,610 for the long-term portion and corresponding operating ROU asset net of accumulated amortization was recorded in the amount of \$309,413. This represents the operating lease existing as of the effective date which has a lease term of five years.

Can Do Multiple Sclerosis
Notes to Financial Statements (continued)
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

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, 2021, from which the summarized information was derived.

Tax Exempt Status

Can Do Multiple Sclerosis 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 2022, 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 2022 and 2021 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, 2022 through May 31, 2023, 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, 2022
(With Summarized Financial Information as of December 31, 2021)

3. Availability and Liquidity

The following represents Can Do Multiple Sclerosis' financial assets at December 31, 2022:

	2022
Financial assets at period end:	
Cash & cash equivalents	1,601,359
Total financial assets	1,601,359
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(545,000)
Financial assets available to meet general expenditures over the next twelve months	1,056,359

As part of the Organization's liquidity management plan, it invests excess cash in short-term investments, CDs, & money market funds. Occasionally, the Board designates a portion of any operating surplus to its reserves, which was \$40,963 and \$40,963 as of December 31, 2022 and 2021, respectively.

4. Concentrations

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, 2022 and 2021, the FDIC's insurance limit was exceeded by approximately \$1,139,682 and \$1,605,994, respectively.

5. Net Assets

Net assets with donor restrictions as of December 31, 2022 and 2021, consisted of the following:

	2022	2021
Education programs and other time restricted contributions	\$ 545,000	\$ 195,000
Total Net Assets with Donor Restrictions	\$ 545,000	\$ 195,000

Can Do Multiple Sclerosis
Notes to Financial Statements (continued)
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

5. Net Assets (continued)

Net assets without donor restrictions as of December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Without donor restriction	\$ 932,724	\$ 1,930,561
Without donor restriction - Board designated stability reserve	40,963	40,963
Total Net Assets without Donor Restrictions	\$ 973,687	\$ 1,971,524

6. Commitments and Contingencies

Lease Obligations

As of December 31, 2022, assets recorded under operating leases were \$382,216, and accumulated amortization associated with operating leases was \$72,803.

In April 2022, the Organization renewed the lease for the office space through March 2027. Total rent expense on this lease was \$101,896 in 2022, of which \$69,896 was for rent and \$32,000 was for operating lease expenses. The remaining lease term is 4.25 years. The discount rate applied to the lease is 1.13%.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2022 were as follows:

		<u>Operating lease</u>
2023	\$	66,503
2024		79,339
2025		79,339
2026		79,339
2027		16,559
Less: imputed interest:		(7,757)
Total future minimum lease payments:	\$	313,321
Lease commitments - current portion	\$	76,711
Lease commitments - long-term portion		236,610
Total	\$	313,321

Can Do Multiple Sclerosis
Notes to Financial Statements (continued)
December 31, 2022
(With Summarized Financial Information as of December 31, 2021)

7. 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, 2022 and 2021.

8. 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. The 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 the years ended December 31, 2022 and 2021, the Organization's contributions amounted to \$75,118 and \$82,432, respectively.