CAN DO MULTIPLE SCLEROSIS

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

As of December 31, 2023 and 2022

Haynie & Company

HaynieCPAs.com

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Haynie & Company
Certified Public Accountants
& Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
303-734-4800
303-795-3356
www.HaynieCPAs.com

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 statements of financial position as of December 31, 2023, 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, 2023, 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 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' 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sincerely,

Haynie & Company

Littleton, Colorado
May 9, 2024

Can Do Multiple Sclerosis
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 151,664	$ 211,677
Investments	1,380,205	1,389,682
Accounts receivable	249,270	-
Promises to give - Current	12,500	-
Prepaid expense	54,640	114,887
Inventory	905	28,274
Total Current Assets	1,849,184	1,744,520
Noncurrent Assets:		
Property and Equipment:		
Furnishings and equipment	32,880	32,880
Less: Accumulated depreciation	(32,880)	(31,914)
Net property and equipment	-	966
Lease:		
Right-of-use asset for operating leases	382,576	382,216
Less: accumulated amortization	(143,072)	(72,803)
Right-of-use asset for operating leases, net	239,504	309,413
Promises to give - Long term	25,000	-
Total Assets	$ 2,113,688	$ 2,054,899
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$ 47,001	$ 9,374
Accrued liabilities	175,930	128,606
Deferred revenue	73,982	84,911
Lease commitments - Current portion	76,949	76,711
Total Liabilities	373,862	299,602
Noncurrent Liabilities:		
Lease commitments - Long-term portion	176,346	236,610
Total noncurrent liabilities	176,346	236,610
Net assets:		
Without donor restrictions	1,525,980	1,518,687
With donor restrictions (Note 6)	37,500	-
Total net assets	1,563,480	1,518,687
Total liabilities and net assets	$ 2,113,688	$ 2,054,899

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

Can Do Multiple Sclerosis
Statements of Activities
For the Years Ended December 31, 2023 and 2022

	2023			2022
	Without Donor Restrictions	With Donor Restricted	Total	Total
Support and Revenue:				
Grants - pharma & foundations	$ 1,101,500	$ -	$ 1,101,500	$ 822,750
Contributions	432,519	-	432,519	547,876
Education & sponsorships	245,371	-	245,371	315,117
Special events	515,387	-	515,387	776,874
Can Do Strong campaign	68,000	50,000	118,000	133,969
Other revenue	5,849	-	5,849	17,434
Net assets released from restrictions:				
Satisfaction of time restrictions	12,500	(12,500)	-	-
Total support and revenue	2,381,126	37,500	2,418,626	2,614,020
Expenses:				
Program Services	1,931,485	-	1,931,485	2,314,961
Supporting services -				
Management and general	473,717	-	473,717	499,325
Fundraising	354,198	-	354,198	373,345
Total Supporting Services	827,915	-	827,915	872,670
Total Expenses	2,759,399	-	2,759,399	3,187,631
Other Income (Expenses):				
Interest income	2,336	-	2,336	19,025
Net investment income (expense)	133,960	-	133,960	(93,251)
Other income	249,270	-	249,270	-
Total Other Income (Expenses)	385,566	-	385,566	(74,226)
Change in Net Assets	7,293	37,500	44,793	(647,837)
Net Assets Beginning of Year	1,518,687	-	1,518,687	2,166,524
Net Assets End of Year	$ 1,525,980	$ 37,500	$ 1,563,480	$ 1,518,687

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

Can Do Multiple Sclerosis
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Changes in net assets	$ 44,793	$ (647,837)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	966	966
Investment (gains) losses	(133,960)	93,251
Non-cash lease expense	13,133	3,908
Net changes in:		
Promises to give	(37,500)	-
Accounts receivable	(249,270)	-
Prepaid expenses	60,247	(14,914)
Inventory	27,369	(2,083)
Accounts payable	37,627	(50,888)
Deferred revenue	(10,929)	(40,697)
Accrued liabilities	420	(25,301)
Net cash from operating activities	(247,104)	(683,595)
Cash flows from investing activities		
Sale of investments	187,091	103,523
Net cash from investing activities	187,091	103,523
Net change in cash and cash equivalents	(60,013)	(580,072)
Cash balance—beginning of year	211,677	791,749
Cash balance—end of year	$ 151,664	$ 211,677

Supplemental disclosure information for Statement of Cash Flows:

	2023	2022
Cash paid for interest	$ 3,201	$ 3,908
Cash paid or amounts included in the measurement of lease liabilities:		
Operating cash flows paid for operating leases	66,503	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
Statements of Functional Expenses
For the Years Ended December 31, 2023 and 2022

	Program Services	Supporting Services: Fundraising	Supporting Services: Management and General	Total 2023	Total 2022
Salaries	$ 745,969	$ 234,441	$ 313,550	$ 1,293,960	$ 1,327,270
Payroll taxes and employee benefits	142,625	44,824	59,949	247,398	275,551
Total salaries, payroll taxes, and employee benefits	888,595	279,265	373,499	1,541,358	1,602,821
Programs & content	372,647	-	-	372,647	377,250
Education & technology	239,263	23,429	31,335	294,027	433,351
Core mission support	304,435	20,335	27,197	351,968	567,159
Contract labor	43,180	13,570	18,150	74,900	95,083
Occupancy	53,593	16,843	22,526	92,962	109,175
Non operating expenses	29,772	755	1,010	31,537	2,792
Total Expenses	$ 1,931,485	$ 354,198	$ 473,717	$ 2,759,399	$ 3,187,631

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

Can Do Multiple Sclerosis
Notes to Financial Statements
December 31, 2023 and 2022

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.

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, 2023 and 2022, 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, 2023. 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, 2023, promises to give were $37,500 with $12,500 due in less than one year and $25,000 due the next one to two years; as of December 31, 2022, promises to give were $0.

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.

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:

Expense	Method of Allocation
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

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, 2022, 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 2023, 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 2023 and 2022 are subject to examination by the IRS, generally for three years after the returns are filed.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 are accounts receivable. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Reclassifications

Certain prior year amounts have been adjusted to conform to the current year presentation. These reclassifications did not have an impact on the Organization's change in net assets.

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

The Organization evaluated all events or transactions that occurred after December 31, 2023 through May 9, 2024, 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.

3. Availability and Liquidity

The following represents Can Do Multiple Sclerosis' financial assets at December 31, 2023 and 2022:

	2023	2022
Financial assets at period end:		
Cash and cash equivalents	$ 151,664	$ 211,677
Investments	1,380,205	1,389,682
Accounts receivable	249,270	-
Promises to give - Current	12,500	-
Total financial assets	1,793,639	1,601,359
Donor-imposed restrictions:		
Funds subject to time restrictions	(37,500)	-
Board designations:		
Stability reserve	(40,963)	(40,963)
Financial assets available to meet general expenditures Over the next twelve months	$ 1,715,176	$ 1,560,396

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, 2023 and 2022:

Description	2023	2022
Equities	$ 401,125	$ 485,609
Fixed income	342,359	282,006
Exchange traded products	636,721	622,067
	$ 1,380,205	$ 1,389,682

Investment income, fees and changes in fair value for the years ended December 31, 2023 and 2022 is summarized as follows:

Description	2023	2022
Interest and dividend income	$ 60,577	$ 64,343
Gains (losses) and changes in fair value	85,530	(142,267)
Less: management fees	(12,147)	(15,327)
Net investment income (loss)	$ 133,960	$ (93,251)

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.

5. Fair Value Measurements (continued)

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth by level, within the fair value hierachy, the Organization's assets at fair value as of December 31, 2023:

		Fair Value Hierarchy Level		
	Assets measured at fair value	Level 1	Level 2	Level 3
Equities	$ 401,125	$ 401,125	$ -	$ -
Fixed income	342,359	342,359	-	-
Exchange traded products	636,721	636,721	-	-
Total assets at fair value	$ 1,380,205	$ 1,380,205	$ -	$ -

The following table sets forth by level, within the fair value hierachy, the Organization's assets at fair value as of December 31, 2022:

		Fair Value Hierarchy Level		
	Assets measured at fair value	Level 1	Level 2	Level 3
Equities	$ 485,609	$ 485,609	$ -	$ -
Fixed income	282,006	282,006	-	-
Exchange traded products	622,067	622,067	-	-
	$ 1,389,682	$ 1,389,682	$ -	$ -

6. Net Assets

Net assets with donor restrictions as of December 31, 2023 and 2022, consisted of the following:

	2023	2022
Contributions restricted for time	$ 37,500	$ -
Total Net Assets with Donor Restrictions	$ 37,500	$ -

6. Net Assets (continued)

Net assets without donor restrictions as of December 31, 2023 and 2022, consisted of the following:

	2023	2022
Without donor restriction	$ 1,485,017	$ 1,477,724
Without donor restriction - Board designated stability reserve	40,963	40,963
Total Net Assets without Donor Restrictions	$ 1,525,980	$ 1,518,687

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. 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. The office space lease expires in 2027. During the years ended December 31, 2023 and 2022, lease expenses under this operating agreement were $66,503 and $69,896 respectively. Other operating lease expenses under this lease totaled $39,873 and $32,000, respectively, as of December 31, 2023 and 2022. During 2023, $26,454 was received in sublease income.

Operating lease assets are recorded net of accumulated amortization of $143,072 and $72,803 as of December 31, 2023 and 2022, respectively.

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 weighted average remaining lease term is 3.25 years and discount rate is 1.13%.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2023 were as follows:

7. Leasing Arrangements (continued)

		Operating lease
2024	$	79,339
2025		79,339
2026		79,339
2027		19,835
Total future minimun lease payments:		257,851
Less: imputed interest:		(4,556)
Total future minimun lease payments:	$	253,295
Lease commitments - current portion	$	76,949
Lease commitments - long-term portion		176,346
Total	$	253,295

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, 2023 and 2022.

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. 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, 2023 and 2022, the Organization's contributions amounted to $62,163 and $75,118, respectively.