Can Do Multiple Sclerosis

Financial Statements and Report
of
Independent Certified Public Accountants

As of December 31, 2020 (With Summarized Financial Information as of December 31, 2019)

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Report of Independent Certified Public Accountants

Board of Directors
Can Do Multiple Sclerosis

Opinion

We have audited the accompanying financial statements of Can Do Multiple Sclerosis (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, 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, 2020 and 2019, 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 audits 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 audits. 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 the 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 ABC Organization's 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's 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's 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.

Haynie & Company

Littleton, Colorado
April 20, 2021

Can Do Multiple Sclerosis

Statements of Financial Position

December 31, 2020

(With Summarized Financial Information for the year ended December 31, 2019)

	2020	2019
Assets		
Current Assets:		
Cash and cash equivalents	$ 2,508,496	$ 1,467,271
Amount receivable	125,000	125,000
Promises to give	33,750	62,180
Prepaid expense	89,078	106,830
Inventory	21,185	46,621
Total Current Assets	2,777,509	1,807,902
Long-Term Assets:		
Amount receivable	-	125,000
Total long-term assets	-	125,000
Property and Equipment:		
Furnishings and equipment	32,880	29,980
Less: Accumulated depreciation	(25,986)	(21,986)
Net property and equipment	6,894	7,994
Total Assets	$ 2,784,403	$ 1,940,896
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$ 7,704	$ 38,093
Accrued liabilities	145,565	141,034
Deferred revenue	352,382	107,943
Total Liabilities	505,651	287,070
Net assets:		
Without donor restrictions	2,098,752	1,553,826
With donor restrictions (Note 8)	180,000	100,000
Total net assets	2,278,752	1,653,826
Total liabilities and net assets	$ 2,784,403	$ 1,940,896

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

Can Do Multiple Sclerosis
Statements of Activities
For the Year Ended December 31, 2020
(With Summarized Financial Information for the year ended December 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restricted	Total	Total
Support and Revenue:				
Grants - foundations and agencies	$ -	$ 915,000	$ 915,000	$ 883,500
Contributions	400,464	-	400,464	268,317
Corporate donations	784,477	-	784,477	307,500
In-kind contributions	7,195	-	7,195	4,929
Education, seminars and symposiums	369,780	-	369,780	535,883
Special events	376,244	-	376,244	614,363
Net assets released from restrictions:				
Satisfaction of program restrictions	835,000	(835,000)	-	-
Total support and revenue	2,773,160	80,000	2,853,160	2,614,492
Expenses:				
Program Services	2,159,406	-	2,159,406	2,513,375
Supporting services -				
Management and general	120,292	-	120,292	113,662
Fundraising	180,922	-	180,922	168,199
Total Supporting Services	301,214	-	301,214	281,861
Total Expenses	2,460,620	-	2,460,620	2,795,236
Other Income (Expenses):				
Interest and dividends	2,133	-	2,133	10,408
SBA forgiven loan	230,253	-	230,253	-
Total Other Income (Expenses)	232,386	-	232,386	10,408
Change in Net Assets	544,926	80,000	624,926	(170,336)
Net Assets Beginning of Year	1,553,826	100,000	1,653,826	1,824,162
Net Assets End of Year	$ 2,098,752	$ 180,000	$ 2,278,752	$ 1,653,826

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

Can Do Multiple Sclerosis

Statements of Cash Flows

For the Year Ended December 31, 2020

(With Summarized Financial Information as of December 31, 2019)

	2020	2019
Cash flows from operating activities		
Changes in net assets	$ 624,926	$ (170,336)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	4,000	3,997
Unrealized (gain) loss in related interest	-	-
Net changes in:		
Promises to give	28,430	(46,034)
Amount receivable	125,000	250,000
Prepaid expenses	17,752	(65,512)
Inventory	25,436	20,339
Accounts payable	(30,389)	33,233
Deferred revenue	244,439	(7,740)
Accrued liabilities	4,531	21,081
Deferred rent	-	(3,356)
Net cash from operating activities	1,044,125	35,672
Cash flows from investing activities		
Purchase of property and equipment	(2,900)	(11,991)
Net cash from investing activities	(2,900)	(11,991)
Net change in cash and cash equivalents	1,041,225	23,681
Cash balance—beginning of year	1,467,271	1,443,590
Cash balance—end of year	$ 2,508,496	$ 1,467,271
Supplemental cash flow information		
Cash paid for interest	$ -	$ -

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

Can Do Multiple Sclerosis
Statements of Functional Expenses
For the Year Ended December 31, 2020
(With Summarized Financial Information for the year ended December 31, 2019)

		Supporting Services			
	Program Services	Fundraising	Management and General	Total 2020	Total 2019
Salaries	$ 979,670	$ 116,980	$ 77,778	$ 1,174,428	$ 1,131,093
Payroll taxes and employee benefits	214,085	25,563	16,997	$ 256,645	272,336
Total salaries, payroll taxes, and employee benefits	1,193,755	142,543	94,775	1,431,073	1,403,429
Education	501,403	-	-	501,403	753,835
Occupancy	96,141	11,480	7,633	115,254	70,571
Printing	4,191	-	-	4,191	6,419
Professional services	19,062	1,467	975	21,503	76,683
Web site	24,649	-	-	24,649	15,396
Advertising	49,518	-	-	49,518	74,686
Outside consulting IT	122,592	14,390	9,568	146,550	118,525
Bank charges	9,032	1,078	717	10,827	19,166
Office expenses	28,772	3,436	2,284	34,492	17,018
Insurance	9,235	1,103	733	11,071	12,693
Telephone	10,365	1,238	823	12,425	9,333
Supplies	13,025	1,555	1,034	15,615	20,476
Public Education	55,620	-	-	55,620	166,793
State registration	6,889	823	547	8,259	9,029
Postage	2,450	293	195	2,937	2,139
Dues and fees	2,941	351	233	3,525	4,102
Board meetings	654	78	52	783	5,496
Other	9,113	1,088	723	10,925	9,447
Total Expenses	$ 2,159,406	$ 180,922	$ 120,292	$ 2,460,620	$ 2,795,236

Can Do Multiple Sclerosis
Notes to Financial Statements
December 31, 2020
(With Summarized Financial Information as of December 31, 2019)

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. As of December 31, 2020 and 2019, all promises to give are due within one year.

Management expects all promises to give will be fully collectible; accordingly, there is no allowance for uncollectible promises to give.

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 earned. 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.

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:

Expense	Method of Allocation
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

New Accounting Pronouncement

In 2019 the Organization adopted new FASB guidance regarding the presentation on the statement of cash flows of restricted cash. The new guidance requires including restricted cash with cash when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows (see Statements of Cash Flows pg.5).

In 2019, the Organization also implemented Topic 606, Revenue from Contracts with Customers, of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) effective January 1, 2019 (ASC 606). There were no material changes in the timing of recognition of revenue and therefore no material impact to the statement of financial position upon adoption.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new standard establishes a right-of-use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of the pending adoption of this new standard on its financial statements.

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, 2020, 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 2020, 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 2020 and 2019 are subject to examination by the IRS, generally for three years after the returns are filed.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year's presentation. Net income was not impacted by the reclassifications.

Subsequent Events

The Organization evaluated all events or transactions that occurred after December 31, 2020 through April 20, 2021, 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, 2020:

		2020
Financial assets at period end:		
Cash & cash equivalents	$	2,508,496
Amount receivable	$	125,000
Promises to give		33,750
Total financial assets		2,667,246
Less amounts not available to be used within one year:		
Net assets with donor restrictions		(180,000)
Financial assets available to meet general expenditures over the next twelve months	$	2,487,246

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 as of December 31, 2020.

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, 2020 and 2019, the FDIC's insurance limit was exceeded by approximately $1,469,288 and $963,234, respectively.

As of December 31, 2020, 100% of promises to give were from one donor. As of December 31, 2019, all promises to give were from two donors.

5. Amount Receivable

Amounts receivable consists of funds scheduled for receipt subsequent to the fiscal year ending December 31, 2020. Management reviewed the collectability of these funds, and no allowance for doubtful funds has been established at December 31, 2020. The amount will be received in the following installments:

5. Amount Receivable (continued)

To be paid on or before:	
April 30, 2021	$ 125,000
Total Amount Receivable	$ 125,000

6. Interest in Related Entity

In April 2019, Can Do Multiple Sclerosis exchanged its claim to ownership of assets in the hands of a third party for a contractual right to receive a payment in 2019 and the payments described in Note 5.

7. Paycheck Protection Program

On May 5, 2020, the Organization received a $230,253 Paycheck Protection Program loan ("PPP Loan"), as provided pursuant to the CARES Act and administered by the SBA. The PPP Loan was designed to create economic stimulus by providing additional operating capital to small businesses in the U.S. To facilitate the PPP Loan, the Organization entered into a Promissory Note dated May 5, 2020, with its bank as the lender (the "Lender") (the "PPP Promissory Note").

Under the terms of the CARES Act, as amended by the Paycheck Protection Program Flexibility Act of 2020 (the "Flexibility Act"), the Organization applied for and received forgiveness for 100% of the PPP Loan in December 2020. Such forgiveness was determined, subject to limitations, based on the use of the loan proceeds for certain permissible purposes as set forth in the PPP, including, but not limited to, payroll costs (as defined under the PPP) and mortgage interest, rent or utility costs (collectively, "Qualifying Expenses") incurred during the 24 weeks subsequent to funding, and on the maintenance of employee and compensation levels, as defined, following the funding of the PPP Loan. The loan forgiveness is included in Other Income in 2020.

8. Net Assets

Net assets with donor restrictions as of December 31, 2020 and 2019, consisted of the following:

8. Net Assets (continued)

	2020	2019
Education programs and other time restricted contributions	$ 180,000	$ 100,000
Total Net Assets with Donor Restrictions	$ 180,000	$ 100,000

Net assets without donor restrictions as of December 31, 2020 and 2019, consisted of the following:

	2020	2019
Without donor restriction	$ 2,057,789	$ 1,512,863
Without donor restriction - Board designated stability reserve	40,963	40,963
Total Net Assets without Donor Restrictions	$ 2,098,752	$ 1,553,826

9. Commitments and Contingencies

On September 23, 2013, the Organization entered into an office space lease agreement and began occupying the space on December 1, 2013. The lease agreement requires monthly rent payments beginning on April 1, 2015 of $1,443 through March 31, 2016; $1,924 through March 31, 2017; $2,405 through March 31, 2018; and $2,646 through March 31, 2019. The rent expense for this lease was recorded on a straight-line basis beginning in December 2013, in accordance with ASC guidance. In September 2018, the Organization extended the lease for 3 years. The lease agreement requires monthly payments of $2,886 beginning March 2019 through March 2022. Additionally, on June 30, 2020 the Organization decided to rent adjacent office space, beginning July 1, 2020 through March 2020 with monthly payments of $2,750.

Future lease obligations outstanding as of December 31, 2020, are as follows:

Year ending December 31,	
2021	$ 67,632
2022	16,908
	$ 84,540

10. 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, 2020 and 2019.

11. 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, 2020 and 2019, the Organization's contributions amounted to $81,594 and $86,984, respectively.

12. Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, many state and local governments instituted restrictions that substantially limited the operations of non-essential businesses and the activities of individuals. While some of these restrictions have been eased, there is still significant uncertainty around the extent and duration of those still in place and the possibility for restrictions to be increased again in the future. The extent to which the pandemic will impact the Organization’s financial results in the coming periods depends on future developments, including where there are additional outbreaks of COVID-19 and the actions taken to contain or address the virus. As a consequence, the pandemic and its associated impact on the U.S. economy and public confidence could have a material impact on the Organization’s future results of operations, financial condition and cash flows.