

CAN DO CANINES
(A Non-Profit Corporation)

Audited Financial Statements
Year ended December 31, 2022
(With comparative totals for 2021)

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

Statement of Financial Position

Statement of Activities and Changes in Net Assets

Statement of Functional Expenses – 2022

Statement of Functional Expenses – 2021

Statement of Cash Flows

NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE

KNEISL CPA, LTD
Certified Public Accountant

Forest Lake, MN
651.464.2433 Kneisl.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
CAN DO CANINES
Minneapolis, Minnesota

I have audited the accompanying financial statements of **CAN DO CANINES** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 2021 and related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United State of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **CAN DO CANINES** as of December 31, 2022 and 2021, 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.

A handwritten signature in blue ink, appearing to be 'Kneisl', written over a horizontal line.

Kneisl CPA, Ltd

Forest Lake, MN
May 31, 2023

CAN DO CANINES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,566,674	\$ 2,685,491
Short term investments	297,827	280,024
Accounts receivable	10,438	-
Unconditional Promises to Give	104,205	121,039
Prepays & inventory	6,332	10,528
Total current assets	2,985,476	3,097,082
Unconditional Promises to Give- Long Term	-	81,760
PROPERTY AND EQUIPMENT		
Vehicles & equipment	254,294	210,990
Land and building	3,583,997	3,583,997
Less accumulated depreciation	(1,330,366)	(1,217,310)
Total Property and Equipment- Net	2,507,925	2,577,677
TOTAL ASSETS	5,493,401	5,756,519
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable - trade	11,143	27,507
Accrued expenses	150,376	135,570
Total current liabilities	161,519	163,077
NET ASSETS		
Net Assets without Donor Restrictions	3,025,239	3,563,643
Board Designated Restrictions	2,192,000	1,792,000
Total	5,217,239	5,355,643
Net Assets with Donor Restrictions	114,643	237,799
Total net assets	5,331,882	5,593,442
TOTAL LIABILITIES AND NET ASSETS	\$ 5,493,401	\$ 5,756,519

The accompanying footnotes are an integral part of these financial statements

CAN DO CANINES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	total	
PUBLIC SUPPORT AND REVENUE				
Public support				
Individual & corporate	\$ 1,561,272	\$ -	\$ 1,561,272	\$ 1,374,182
Service clubs	156,080	-	156,080	141,428
Foundations grants	648,603	-	648,603	489,452
Federated fundraisers	119,307	-	119,307	113,028
Earned income - net	88,702	-	88,702	10,778
PPP grant	-	-	-	354,088
Special events - net	336,293	-	336,293	284,276
In-kind contributions	96,322	-	96,322	46,561
Total public support	3,006,579	-	3,006,579	2,813,793
Investment income (loss)	(30,244)	-	(30,244)	36,919
Net assets released from restrictions	123,156	(123,156)	-	-
Total support and revenue	3,099,491	(123,156)	2,976,335	2,850,712
EXPENSES				
Program expenses	2,751,943	-	2,751,943	2,338,193
Support services				
Management and general	145,910	-	145,910	321,639
Fundraising	340,043	-	340,043	286,444
Total support services	485,952	-	485,952	608,083
Total expenses	3,237,895	-	3,237,895	2,946,276
INCREASE(DECREASE) IN NET ASSETS	(138,404)	(123,156)	(261,560)	(95,564)
NET ASSETS - BEGINNING	5,355,643	237,799	5,593,442	5,689,006
NET ASSETS - ENDING	\$ 5,217,239	\$ 114,643	\$ 5,331,882	\$ 5,593,442

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

CAN DO CANINES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Supporting Services			Total Supporting Services	Totals	
	Program Services	Admin	Fundraising		2022	2021
Salaries and wages	1,637,176	83,482	197,619	281,101	\$ 1,918,277	\$ 1,723,422
Payroll fringes	364,838	18,400	43,500	61,900	426,738	405,345
Total salaries and fringes	<u>2,002,014</u>	<u>101,882</u>	<u>241,119</u>	<u>343,001</u>	<u>2,345,015</u>	<u>2,128,767</u>
Dog acquisitions	-	-	-	-	-	2,298
Vet, trainers & interpreters	49,258	-	-	-	49,258	55,096
Dog supplies	238,148	-	-	-	238,148	161,879
Accounting & legal	-	9,300	-	9,300	9,300	9,000
Consultants & succession	-	-	39,884	39,884	39,884	174,189
Internet and phone	10,677	497	1,242	1,738	12,415	14,426
Occupancy & improvements	91,643	4,262	10,656	14,919	106,562	37,347
Administrative & general office	115,944	5,393	13,482	18,875	134,819	139,470
Printing & publications	-	16,652	16,652	33,303	33,303	36,835
Travel & vehicle costs	49,044	2,281	5,703	7,984	57,028	32,376
Education	2,785	-	-	-	2,785	2,110
Pledge write offs	-	-	-	-	-	20
In Kind Donations	95,201	1,121	-	1,121	96,322	46,561
Total exps before depreciation	<u>2,654,715</u>	<u>141,387</u>	<u>328,737</u>	<u>470,124</u>	<u>3,124,839</u>	<u>2,840,374</u>
Depreciation	<u>97,228</u>	<u>4,522</u>	<u>11,306</u>	<u>15,828</u>	<u>113,056</u>	<u>105,902</u>
Total expenses	<u>\$ 2,751,943</u>	<u>145,910</u>	<u>340,043</u>	<u>485,952</u>	<u>\$ 3,237,895</u>	<u>\$ 2,946,276</u>

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

CAN DO CANINES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Supporting Services				Totals	
	Program Services	Total Supporting Services			2021	2020
		Admin	Fundraising	Total		
Salaries and wages	1,447,675	86,171	189,576	275,747	\$ 1,723,422	\$ 1,605,218
Payroll fringes	339,166	20,681	45,498	66,179	405,345	394,502
Total salaries and fringes	1,786,841	106,852	235,074	341,926	2,128,767	1,999,720
Dog acquisitions	2,298	-	-	-	2,298	3,000
Vet, trainers & interpreters	55,096	-	-	-	55,096	61,578
Dog supplies	161,879	-	-	-	161,879	167,269
Accounting & legal	-	9,000	-	9,000	9,000	7,150
Consultants & succession	-	174,189	-	174,189	174,189	92,112
Internet and phone	12,406	577	1,443	2,020	14,426	15,928
Occupancy	32,118	1,494	3,735	5,229	37,347	32,541
Administrative & general office	119,944	5,579	13,947	19,526	139,470	115,993
Printing & publications	-	18,418	18,418	36,835	36,835	36,653
Travel & vehicle costs	27,843	1,295	3,238	4,533	32,376	32,238
Education	2,110	-	-	-	2,110	1,466
Pledge write offs	20	-	-	-	20	4,318
In Kind Donations	46,561	-	-	-	46,561	90,460
Total exps before depreciation	2,247,117	317,403	275,853	593,257	2,840,374	2,660,426
Depreciation	91,076	4,236	10,590	14,826	105,902	92,055
Total expenses	\$ 2,338,193	321,639	286,444	608,083	\$ 2,946,276	\$ 2,752,481

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

**CAN DO CANINES
STATEMENT OF CASH FLOWS
DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (261,560)	\$ (95,564)
Adjustments to reconciled net assets		
Depreciation	113,056	105,902
Changes in assets & liabilities:		
(increase) decrease in grants receivable	88,156	103,196
(increase) decrease in investments	(17,803)	(169,701)
(increase) decrease in inventory	4,196	(428)
increase (decrease) in accounts payable	(16,364)	(46,990)
increase (decrease) in accruals	14,806	33,501
increase (decrease) in Deferred Revenue	-	(29,900)
Net cash from operations	(75,513)	(99,984)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment purchases	(43,304)	(46,546)
Net cash used in investing activities	(43,304)	(46,546)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Debt on building	-	-
 NET INCREASE (DECREASE) IN CASH	(118,817)	(146,530)
CASH EQUIVALENTS - BEGINNING	2,685,491	2,832,021
CASH EQUIVALENTS - ENDING	\$ 2,566,674	\$ 2,685,491
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ -	\$ -
 NONCASH INVESTING AND FINANCING ACTIVITIES:		
Property Purchased with Note Payable	\$ -	\$ -

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

KNEISL CPA, LTD
Certified Public Accountant

Forest Lake MN
651.464.2433 Kneisl.net

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE

To the Board of Directors
CAN DO CANINES

I have audited the financial statements of **CAN DO CANINES** as of and for the year ended December 31, 2022 and have issued my report thereon dated May 31, 2023.

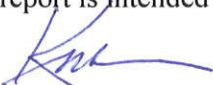
I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of the organization for the period ended December 31, 2022, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the organization is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and the transactions are executed in accordance with managements' authorization and recorded properly to permit the preparation of financial statements in accordance with the income tax basis. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no material matters involving the internal control structure that I consider to be material weaknesses as defined above.

This report is intended for the information of the organization.


KNEISL CPA, LTD.
May 31, 2023