

NEXT FOR AUTISM, INC.

**Financial Statements
for years ended
December 31, 2020
and
December 31, 2019**

Independent Auditor's Report

To the Board of Directors of
NEXT for AUTISM, Inc.

We have audited the accompanying financial statements of NEXT for AUTISM, Inc. which comprise the statement of financial position as of December 31, 2020 and December 31, 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.

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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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, we 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NEXT for AUTISM, Inc. as of December 31, 2020 and December 31, 2019 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Condon O'Meara McGinty & Donnelly LLP

October 22, 2021

NEXT FOR AUTISM, INC.
Statement of Financial Position

	Year Ended	
	December 31	
	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 3,718,505	\$ 3,978,147
Contributions and pledges receivable	130,000	241,330
Accounts receivable	29,881	125,396
Prepaid expenses	24,412	26,397
Security deposit	30,818	30,818
Property and equipment, net	<u>39,051</u>	<u>75,354</u>
Total assets	<u>\$ 3,972,667</u>	<u>\$ 4,477,442</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 168,841	\$ 227,849
Grants payable	202,394	264,846
Unearned revenue	423,885	53,400
Deferred employer payroll taxes	42,351	-
Deferred grant	<u>252,700</u>	<u>-</u>
Total liabilities	<u>1,090,171</u>	<u>546,095</u>
Net assets		
Without donor restrictions	2,863,319	3,912,847
With donor restrictions	<u>19,177</u>	<u>18,500</u>
Total net assets	<u>2,882,496</u>	<u>3,931,347</u>
Total liabilities and net assets	<u>\$ 3,972,667</u>	<u>\$ 4,477,442</u>

See notes to financial statements.

NEXT FOR AUTISM, INC.
Statement of Activities

	Year Ended December 31					
	2020			2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue						
Contributions	\$ 1,310,900	\$ 25,000	\$ 1,335,900	\$ 1,587,327	\$ 25,000	\$ 1,612,327
Special events	658,011	-	658,011	310,556	-	310,556
Corporate consulting	151,850	-	151,850	340,555	-	340,555
In-kind contributions	172,139	-	172,139	237,804	-	237,804
Interest and other	14,096	-	14,096	41,312	-	41,312
Net assets released from restrictions	24,323	(24,323)	-	238,052	(238,052)	-
Total support and revenue	<u>2,331,319</u>	<u>677</u>	<u>2,331,996</u>	<u>2,755,606</u>	<u>(213,052)</u>	<u>2,542,554</u>
Expenses						
Program services						
Research, education and community services	<u>2,408,561</u>	-	<u>2,408,561</u>	<u>3,076,222</u>	-	<u>3,076,222</u>
Supporting activities						
Management and general	507,509	-	507,509	563,623	-	563,623
Fundraising	464,777	-	464,777	591,743	-	591,743
Total supporting activities	<u>972,286</u>	-	<u>972,286</u>	<u>1,155,366</u>	-	<u>1,155,366</u>
Total expenses	<u>3,380,847</u>	-	<u>3,380,847</u>	<u>4,231,588</u>	-	<u>4,231,588</u>
Increase (decrease) in net assets	(1,049,528)	677	(1,048,851)	(1,475,982)	(213,052)	(1,689,034)
Net assets, beginning of year	<u>3,912,847</u>	<u>18,500</u>	<u>3,931,347</u>	<u>5,388,829</u>	<u>231,552</u>	<u>5,620,381</u>
Net assets, end of year	<u>\$ 2,863,319</u>	<u>\$ 19,177</u>	<u>\$ 2,882,496</u>	<u>\$ 3,912,847</u>	<u>\$ 18,500</u>	<u>\$ 3,931,347</u>

See notes to financial statements.

NEXT FOR AUTISM, INC.
Statement of Functional Expenses

	Year Ended December 31						
	2020		2019				
	Program Services	Supporting Activities	Program Services	Supporting Activities			
	Education and Management Community Services	Education and Management and General	Research, Community Services	Education and Management and General	Fund- Raising	Fund- Raising	Total
Grants	\$ 327,548	-	\$ 327,548	\$ 1,133,654	-	-	\$ 1,133,654
Salaries	1,402,974	288,128	1,853,957	1,224,358	241,348	114,928	1,580,634
Payroll taxes and employee benefits	265,282	53,112	348,414	223,146	35,706	17,003	275,855
Professional fees	148,009	122,521	445,122	165,117	232,047	357,560	754,724
Occupancy	100,049	21,344	133,399	100,606	22,504	9,266	132,376
Insurance	12,086	2,578	16,114	12,178	2,724	1,122	16,024
Telephone and internet	15,210	2,093	18,480	14,465	2,305	949	17,719
Supplies	7,062	1,479	9,373	8,577	1,842	759	11,178
Postage, printing and publications	3,484	388	9,439	6,467	704	7,866	15,037
Credit card and other bank fees	1,230	1,736	12,429	742	166	8,445	9,353
Advertising	13,167	480	14,823	-	11,284	7,598	18,882
Travel	21,278	-	21,766	127,372	-	8,297	135,669
Caterer, music and facility rental	-	-	2,252	2,958	-	31,018	33,976
Contributions	33,999	-	33,999	10,120	-	-	10,120
Database, website and webhosting	709	2,838	45,428	1,435	5,741	21,528	28,704
Dues and subscriptions	20,313	3,404	29,825	16,252	2,440	1,029	19,721
Other	36,161	7,408	58,479	28,775	4,812	4,375	37,962
Total	\$ 2,408,561	\$ 507,509	\$3,380,847	\$ 3,076,222	\$ 563,623	\$ 591,743	\$ 4,231,588

See notes to financial statements.

NEXT FOR AUTISM, INC.

Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
(Decrease) in net assets	\$ (1,048,851)	\$ (1,689,034)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities		
Depreciation and amortization	43,716	15,988
(Increase) decrease in assets		
Contributions and pledges receivable	111,330	(133,270)
Accounts receivable	95,515	(21,950)
Prepaid expenses	1,985	34,423
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(59,008)	109,240
Grants payable	(62,452)	(499,041)
Unearned revenue	370,485	53,400
Deferred employer payroll taxes	42,351	-
Deferred grant	<u>252,700</u>	<u>-</u>
Net cash (used in) operating activities	(504,929)	(2,130,244)
Cash flows (used in) investing activities		
Purchases of property and equipment	<u>(7,413)</u>	<u>(16,920)</u>
Net increase (decrease) in cash and cash equivalents	(259,642)	(2,147,164)
Cash and cash equivalents, beginning of year	<u>3,978,147</u>	<u>6,125,311</u>
Cash and cash equivalents, end of year	<u>\$ 3,718,505</u>	<u>\$ 3,978,147</u>

See notes to financial statements.

NEXT FOR AUTISM, INC.**Notes to Financial Statements
December 31, 2020 and December 31, 2019****Note 1 – Nature of organization**

New York Center for Autism Research and Education, Inc., established on August 30, 2002, is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. During 2012, New York Center for Autism Research and Education, Inc. changed the organization name to New York Collaborates for Autism, Inc. (“NYCA”). During 2017, NYCA changed the organization name to NEXT for AUTISM, Inc. (“NEXT”).

NEXT transforms the national landscape of services for people with autism and related disabilities by strategically designing, launching and supporting innovative programs.

Significant operational measures

NEXT holds a large televised national fundraising event, Night of Too Many Stars, every two or three years. Fundraising expenses surge during the years in which Night of Too Many Stars is held because of the increased costs associated with supporting the nationally televised event. However, grants that are provided from the funds raised through Night of Too Many Stars, and are considered program expenses, are awarded at least six (6) months after the event and up to the time the next Night of Too Many Stars is held, which may be three (3) years. The combination of these factors results in dramatic changes in the percentage of program expenses to total expenses year-to-year. In years when Night of Too Many Stars is held, the percentage of program services to total expenses is much lower than in years when the event not is held. NEXT anticipates a similar trend to continue for as long as we hold a televised, national, comedy event. This trend is most dramatic when events occur three calendar years apart.

Note 2 – Summary of significant accounting policies**Basis of presentation**

Net assets are revenue, expenses, gains, losses, and other support that are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of NEXT are classified and reported as follows:

Without donor restrictions – net assets which have not been restricted by an outside donor and are therefore available for use in carrying out the operations of NEXT.

With donor restrictions – net assets which have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of NEXT pursuant to those stipulations. Contributions whose restrictions are met in the year the contribution is received are reflected within net assets without donor restrictions.

Cash and cash equivalents

NEXT deems highly liquid investments with original maturities of 90 days or less to be cash equivalents.

NEXT FOR AUTISM, INC.**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Contributions and pledges receivable

NEXT reports contributions as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, restricted net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are not included as support until the conditions are substantially met. Contributions and pledges receivable at December 31, 2020 are expected to be collected in 2021 with the exception of one pledge with \$30,000 payments expected annually through 2023.

Allowance for doubtful accounts

NEXT has an allowance for doubtful accounts of \$5,000 as of December 31, 2020 and December 31, 2019 for any potentially uncollectable receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

NEXT capitalizes furniture and equipment expenditures over \$1,500 with a useful life greater than one year at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives which range from 3-5 years.

Grants payable

NEXT grants funds to other organizations for specific programs. Grants are recorded as an expense and a payable when approved by the grants committee and committed to the grantees. Subsequently all such grants are ratified by the Board of Directors. Grants payable in more than one year are recorded at the net present value of the expected future cash outflow.

In-kind contributions

During 2020 and 2019, NEXT received donated legal fees and supplies. These goods and services were an integral part of the activities of NEXT and would have had to be purchased by NEXT if they had not been donated. The goods and services were recorded at the fair value based on what it would have cost NEXT to purchase them independently and have been reflected as support and expenses in the statement of activities.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

NEXT FOR AUTISM, INC.**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Concentrations of credit risk

NEXT's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents and receivables. NEXT places its cash and cash equivalents with what it believes to be quality financial institutions. During the year, the balances in the NEXT's cash and cash equivalents accounts were in excess of the Federal Deposit Insurance Corporation limit or the Securities Investor Protection Corporation limit; however, NEXT has not experienced any losses in these accounts to date. NEXT monitors the collectability of its receivables. As a consequence, NEXT believes concentrations of credit risk are limited with respect to its cash, cash equivalents and receivables.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain shared costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional category are allocated based on time and effort.

Risks and uncertainties

On March 13, 2020, a national emergency was declared due to extraordinary circumstances resulting from the coronavirus ("COVID-19"). NEXT has taken a number of measures to monitor and mitigate the effects of COVID-19, such as working from home and reducing expenses where possible as a result of working from home, shifting to virtual events and digital fundraising efforts. The shift to virtual events and online fundraising has also reduced fundraising expenses. At this stage, the impact on NEXT and results has not been significant. NEXT will continue to follow the various government policies and advice and, in parallel, we will continue to carry out our mission in the best and safest way possible without jeopardizing the health of our staff.

Subsequent events

NEXT has evaluated events and transactions for potential recognition or disclosure through October 22, 2021, which is the date the financials were available to be issued.

Note 3 – Liquidity and availability of financial assets

NEXT's working capital and cash flows have variations during the year attributable to cash receipts from contributions and special events.

NEXT FOR AUTISM, INC.

**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019**

Note 3 – Liquidity and availability of financial assets (continued)

The following is a summary of NEXT's financial assets as of December 31, 2020 and December 31, 2019 that are available to meet cash needs for general expenditures within one year of the statement of financial position date:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,718,505	\$ 3,978,147
Contributions and pledges receivable	130,000	241,330
Accounts receivable	<u>29,881</u>	<u>125,396</u>
Total	<u>\$ 3,878,386</u>	<u>\$ 4,344,873</u>

Note 4 – Special events

NEXT plans a major fundraising event every two or three years. The Night of Too Many Stars fundraising event took place during November 2017. The Night of Too Many Stars event planned for April 2020 was cancelled due to the emergence of COVID-19. The event is anticipated to take place again in 2023.

Note 5 – Property and equipment, net

Property and equipment, net, consist of the following as of December 31, 2020 and December 31, 2019:

	<u>2020</u>	<u>2019</u>
Computers and equipment	\$ 54,991	\$ 50,409
Furniture and fixtures	50,135	50,135
Leasehold improvements	<u>29,625</u>	<u>29,625</u>
Sub-total	134,751	130,169
Less: accumulated depreciation and amortization	<u>95,700</u>	<u>(54,815)</u>
Total	<u>\$ 39,051</u>	<u>\$ 75,354</u>

Note 6 – Grants payable

NEXT has grant commitments which are expected to be paid as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 101,197
2022	<u>101,197</u>
Total	<u>\$ 202,394</u>

NEXT FOR AUTISM, INC.

**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019**

Note 7 – Deferred employer payroll taxes

In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) was signed into law on March 27, 2020. The CARES Act provides, among other things, an option for employers to defer eligible payroll taxes due from the period beginning March 27, 2020 through December 31, 2020. Employers will be treated as having timely paid these taxes retroactive to their original due dates if they are paid by the extended deadlines as follows: 50% of the deferred payroll taxes are due by December 31, 2021 with the remaining 50% due by December 31, 2022. As of December 31, 2020, NEXT has deferred \$42,351 in eligible employer payroll taxes on the statement of financial position.

Note 8 – Deferred grant

During 2020, NEXT applied for and received \$252,700 under the Paycheck Protection Program (“PPP”) which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. NEXT has elected to record the proceeds as a liability until the loan is, in part or wholly, forgiven and NEXT is legally released. During May 2021, the PPP loan was fully forgiven.

During 2021, NEXT applied for and received a second PPP loan totaling \$309,100. Any amounts not forgiven are subject to interest at a fixed rate of 1% for a five year-term.

Note 9 – Net assets with donor restrictions

The following is a summary of the net assets with donor restrictions for the year ended December 31, 2020:

	Balance at December 31, 2019	Contributions	Net Assets Released From Restrictions	Balance at December 31, 2020
NEXT 4 Going Out	\$ -	\$ 25,000	\$ (5,823)	\$ 19,177
Corporate counseling	18,500	-	(18,500)	-
Total	<u>\$ 18,500</u>	<u>\$ 25,000</u>	<u>\$ (24,323)</u>	<u>\$ 19,177</u>

NEXT FOR AUTISM, INC.

**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019**

Note 9 – Net assets with donor restrictions (continued)

The following is a summary of the net assets with donor restrictions for the year ended December 31, 2019:

	Balance at December 31, 2018	Contributions	Net Assets Released From Restrictions	Balance at December 31, 2019
Autism and Disability Visual				
Integration Company Experience	\$ 97,619	\$ -	\$ (97,619)	\$ -
CINTAS Disability Hiring Program	83,333	-	(83,333)	-
Neighborhood Network of New York	15,600	-	(15,600)	-
NEXT 4 Going Out	35,000	-	(35,000)	-
Corporate counseling	-	25,000	(6,500)	18,500
Total	<u>\$ 231,552</u>	<u>\$ 25,000</u>	<u>\$ (238,052)</u>	<u>\$ 18,500</u>

Note 10 – Rent and related party transactions

During March 2018, NEXE entered into a five-year and two month lease for new office space due to expire in May 2023. The lease required monthly payments of approximately \$10,000 for the first year of the lease with annual increases thereafter. In connection with the lease, NEXE paid a security deposit of \$30,818 to the landlord. During 2021, NEXE terminated the lease effective October 31, 2021.

During 2020 and 2019, NEXE paid \$50,000 and \$100,000 respectively, to a consulting firm owned by two Board members for services relating to the Night of Too Many Stars event.

Note 11 – In-kind contributions

NEXE received in-kind contributions during the years ended December 31, 2020 and December 31, 2019, consisting of:

	<u>2020</u>	<u>2019</u>
Legal services	\$ 170,887	\$ 234,258
Supplies	1,252	3,546
Total	<u>\$ 172,139</u>	<u>\$ 237,804</u>

Note 12 – 401(k) plan

NEXE maintains a 401(k) plan (the “Plan”) for all eligible employees. Employees can contribute to the Plan in accordance with Internal Revenue Code regulations. NEXE makes discretionary contributions to the Plan. Contribution expense for 2020 and 2019 was \$52,811 and \$42,079, respectively.

NEXT FOR AUTISM, INC.**Notes to Financial Statements (continued)
December 31, 2020 and December 31, 2019****Note 13 – Conditional commitment**

NEXT had made a conditional pledge to Neighborhood Network New York (“NNNY”) to raise or give up to \$1,800,000 during the first three years of NNNY’s operations, if NNNY was unable to raise or obtain sufficient funds on its own. In 2019, NEXT paid NNNY \$372,968 against the conditional pledge of \$1,800,000. In total, NEXT paid \$1,521,291 through December 31, 2019. NNNY was established in the State of Delaware in 2014 to develop community living services for people with autism and related development disabilities. NEXT’s President also served as the Board President of NNNY as an unpaid volunteer of NNNY. NEXT’s Board President, also known as the Board Chair, is a different position and she served as an unpaid volunteer. The conditional grant was recorded as expense upon request of the grantor. In June 2020, NNNY was dissolved and the remaining amount of the conditional pledge was rescinded.

Note 14 – Tax status

NEXT is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, NEXT has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation within the meaning of Section 509(a)(1) of the Code and qualifies for the maximum charitable deduction for donors.