

NEXT FOR AUTISM, INC.

**Financial Statements
for years ended
December 31, 2021
and
December 31, 2020**

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of NEXT for AUTISM, Inc. ("NEXT"), which comprise the statement of financial position as of December 31, 2021 and December 31, 2020 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 NEXT as of December 31, 2021 and December 31, 2020, 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.

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 NEXT 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 NEXT'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 NEXT'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 NEXT'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.

Carrie Dineen McCall & Donnelly LLP

October 18, 2022

NEXT FOR AUTISM, INC.
Statement of Financial Position

	Year Ended	
	December 31	
	2021	2020
Assets		
Cash and cash equivalents	\$ 6,393,729	\$ 3,718,505
Contributions and pledges receivable	180,922	130,000
Accounts receivable	26,442	29,881
Prepaid expenses	23,378	24,412
Security deposit	-	30,818
Property and equipment, net	6,924	39,051
Total assets	\$ 6,631,395	\$ 3,972,667
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 177,372	\$ 168,841
Grants payable	95,193	202,394
Unearned revenue	421,802	423,885
Deferred employer payroll taxes	23,048	42,351
Deferred grant	309,100	252,700
Total liabilities	1,026,515	1,090,171
Net assets		
Without donor restrictions	5,511,830	2,863,319
With donor restrictions	93,050	19,177
Total net assets	5,604,880	2,882,496
Total liabilities and net assets	\$ 6,631,395	\$ 3,972,667

See notes to financial statements.

NEXT FOR AUTISM, INC.
Statement of Activities

	Year Ended December 31			
	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total	Total	Total	Total
Support and revenue				
Contributions	\$ 891,538	\$ 350,000	\$ 1,241,538	\$ 1,310,900
Special events	3,867,068	-	3,867,068	658,011
Corporate consulting	72,483	-	72,483	151,850
In-kind contributions	148,369	-	148,369	172,139
Interest and other	7,714	-	7,714	14,096
Government grant	252,700	-	252,700	-
Net assets released from restrictions	276,127	(276,127)	-	24,323
Total support and revenue	<u>5,515,999</u>	<u>73,873</u>	<u>5,589,872</u>	<u>2,331,319</u>
				<u>677</u>
				<u>2,331,996</u>
Expenses				
Program services				
Research, education and community services	<u>2,026,127</u>	-	<u>2,026,127</u>	-
Supporting activities				
Management and general	381,680	-	381,680	-
Fundraising	434,463	-	434,463	-
Total supporting activities	<u>816,143</u>	-	<u>816,143</u>	-
Total expenses	<u>2,842,270</u>	-	<u>2,842,270</u>	-
Increase (decrease) in net assets before loss on disposal	2,673,729	73,873	2,747,602	677
Loss on disposal of property and equipment	(25,218)	-	(25,218)	-
Increase (decrease) in net assets	2,648,511	73,873	2,722,384	677
Net assets, beginning of year	2,863,319	19,177	2,882,496	18,500
Net assets, end of year	\$ 5,511,830	\$ 93,050	\$ 5,604,880	\$ 19,177
				\$ 2,882,496
				\$ 2,882,496

See notes to financial statements.

NEXT FOR AUTISM, INC.
Statement of Functional Expenses

	Year Ended December 31							
	2021			2020				
	Program Services	Supporting Activities		Program Services	Supporting Activities			
	Research, Education and Community Services	Management and General	Fund-Raising	Total	Research, Education and Community Services	Management and General	Fund-Raising	Total
Salaries	\$ 1,276,844	\$ 218,820	\$ 138,371	\$1,634,035	\$ 1,402,974	\$ 288,128	\$ 162,855	\$ 1,853,957
Payroll taxes and employee benefits	258,410	40,801	25,801	325,012	265,282	53,112	30,020	348,414
Grants	20,095	-	-	20,095	327,548	-	-	327,548
Professional fees	203,637	77,925	111,515	393,077	148,009	122,521	174,592	445,122
Occupancy	141,587	28,092	17,605	187,284	109,049	21,344	12,006	133,399
Insurance	14,033	2,784	1,745	18,562	12,086	2,578	1,450	16,114
Telephone and internet	11,231	1,331	834	13,396	15,210	2,093	1,177	18,480
Supplies	3,639	716	449	4,804	7,062	1,479	832	9,373
Postage, printing and publications	1,388	275	1,904	3,567	3,484	388	5,567	9,439
Credit card and other bank fees	267	2,370	53,789	56,426	1,230	1,736	9,463	12,429
Advertising	1,201	40	4,685	5,926	13,167	480	1,176	14,823
Travel	9,061	-	215	9,276	21,278	-	488	21,766
Caterer, music and facility rental	425	-	9,664	10,089	-	-	2,252	2,252
Contributions	12,500	-	-	12,500	33,999	-	-	33,999
Database, website and webhosting	12,347	-	41,859	54,206	709	2,838	41,881	45,428
Dues and subscriptions	37,666	5,179	10,493	53,338	20,313	3,404	6,108	29,825
Other	21,796	3,347	15,334	40,677	36,161	7,408	14,910	58,479
Total	\$ 2,026,127	\$ 381,680	\$ 434,463	\$2,842,270	\$ 2,408,561	\$ 507,509	\$ 464,777	\$ 3,380,847

See notes to financial statements.

NEXT FOR AUTISM, INC.

Statement of Cash Flows

	Year Ended	
	December 31	
	2021	2020
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 2,722,384	\$ (1,048,851)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	14,260	43,716
Loss on disposal of property and equipment	25,218	-
(Increase) decrease in assets		
Contributions and pledges receivable	(50,922)	111,330
Accounts receivable	3,439	95,515
Prepaid expenses	1,034	1,985
Security deposit	30,818	-
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	8,531	(59,008)
Grants payable	(107,201)	(62,452)
Unearned revenue	(2,083)	370,485
Deferred employer payroll taxes	(19,303)	42,351
Deferred grant	56,400	252,700
Net cash provided by (used in) operating activities	2,682,575	(504,929)
Cash flows (used in) investing activities		
Purchases of property and equipment	(7,351)	(7,413)
Net increase (decrease) in cash and cash equivalents	2,675,224	(252,700)
Cash and cash equivalents, beginning of year	3,718,505	3,978,147
Cash and cash equivalents, end of year	\$ 6,393,729	\$ 3,718,505

See notes to financial statements.

NEXT FOR AUTISM, INC.**Notes to Financial Statements
December 31, 2021 and December 31, 2020****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 large national fundraising events, typically every two or three years. Fundraising expenses increase during the years in which an event is held because of the increased costs associated with supporting the event. However, grants that are provided from the funds raised through the events, and are considered program expenses, are awarded beginning at least six (6) months after the event and funds may continue to be awarded for several years thereafter. The combination of these factors can result in dramatic changes in the percentage of program expenses to total expenses year-to-year. In years when a large fundraising event is held, the percentage of program services to total expenses is much lower than in years when an event is not held. NEXT anticipates a similar trend to continue for as long as we hold large fundraising events.

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, 2021 and December 31, 2020****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, 2021 are expected to be collected in 2022 with the exception of one pledge with a \$30,000 payment expected in 2023.

Allowance for doubtful accounts

NEXT had an allowance for doubtful accounts of \$5,000 as of December 31, 2020 for any potentially uncollectable receivables. Such estimate was based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions. NEXT does not have an allowance for doubtful accounts as of December 31, 2021.

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. 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. NEXT's grant payable at December 31, 2021 is expected to be paid in 2022.

In-kind contributions

During 2021 and 2020, 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, 2021 and December 31, 2020**

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.

Subsequent events

NEXT has evaluated events and transactions for potential recognition or disclosure through October 18, 2022, 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.

The following is a summary of NEXT's financial assets as of December 31, 2021 and December 31, 2020 that are available to meet cash needs for general expenditures within one year of the statement of financial position date:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,393,729	\$ 3,718,505
Current portion of contributions and pledges receivable	150,922	70,000
Accounts receivable	<u>26,442</u>	<u>29,881</u>
Total	<u>\$ 6,571,093</u>	<u>\$ 3,818,386</u>

NEXT FOR AUTISM, INC.

**Notes to Financial Statements (continued)
December 31, 2021 and December 31, 2020**

Note 4 – Special events

NEXT plans a major fundraising event every two or three years. The Night of Too Many Stars event planned for April 2020 was cancelled due to the emergence of COVID-19 and in 2021, NEXT held a virtual fundraiser, Color the Spectrum. NEXT has not yet determined when the next major fundraising event will take place.

Note 5 – Property and equipment, net

Property and equipment, net, consist of the following as of December 31, 2021 and December 31, 2020:

	<u>2021</u>	<u>2020</u>
Computers and equipment	\$ 59,357	\$ 54,991
Furniture and fixtures	-	50,135
Leasehold improvements	-	<u>29,625</u>
Sub-total	59,357	134,751
Less: accumulated depreciation and amortization	<u>52,433</u>	<u>95,700</u>
Total	<u>\$ 6,924</u>	<u>\$ 39,051</u>

As a result of NEXT terminating its office space lease during 2021, which included a negotiated buyout payment, property and equipment with an original cost basis of \$82,745 and accumulated depreciation of \$57,527 were removed from NEXT's books and records resulting in a loss on disposal of \$25,218.

Note 6 – 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 were due by December 31, 2021 with the remaining 50% due by December 31, 2022. As of December 31, 2021, NEXT has deferred \$23,048 in eligible employer payroll taxes on the statement of financial position.

Note 7 – 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 and recognized as a government grant in the 2021 statement of activities.

During 2021, NEXT applied for and received a second PPP loan totaling \$309,100. 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 February 2022, the second PPP loan was fully forgiven and, therefore, will be recorded as a government grant in the 2022 statement of activities.

NEXT FOR AUTISM, INC.

**Notes to Financial Statements (continued)
December 31, 2021 and December 31, 2020**

Note 8 – Net assets with donor restrictions

The following is a summary of the net assets with donor restrictions for the year ended December 31, 2021:

	Balance at December 31, 2020	Contributions	Net Assets Released From Restrictions	Balance at December 31, 2021
NEXT 4 Going Out	\$ -	\$ 50,000	\$ (37,000)	\$ 13,000
Community living	19,177	-	(19,177)	-
NEXT for DEI	-	200,000	(149,450)	50,550
NEXTGen Connect	-	100,000	(70,500)	29,500
Total	<u>\$ 19,177</u>	<u>\$ 350,000</u>	<u>\$ (276,127)</u>	<u>\$ 93,050</u>

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
Community living	\$ -	\$ 25,000	\$ (5,823)	\$ 19,177
Corporate consulting	18,500	-	(18,500)	-
Total	<u>\$ 18,500</u>	<u>\$ 25,000</u>	<u>\$ (24,323)</u>	<u>\$ 19,177</u>

Note 9 – Rent and related party transactions

During March 2018, NEXT entered into a five-year and two month lease for new office space that was 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, NEXT paid a security deposit of \$30,818 to the landlord. During 2021, NEXT terminated the lease effective October 31, 2021 and forfeited the security deposit.

During 2020, NEXT paid \$50,000 to a consulting firm owned by two Board members for services relating to the Night of Too Many Stars event. There were no related party transactions in 2021.

Note 10 – In-kind contributions

NEXT received in-kind contributions during the years ended December 31, 2021 and December 31, 2020, consisting of:

	<u>2021</u>	<u>2020</u>
Legal services	\$ 139,705	\$ 170,887
Supplies	8,664	1,252
Total	<u>\$ 148,369</u>	<u>\$ 172,139</u>

NEXT FOR AUTISM, INC.**Notes to Financial Statements (continued)
December 31, 2021 and December 31, 2020****Note 11 – 401(k) plan**

NEXT maintains a 401(k) plan (the “Plan”) for all eligible employees. Employees can contribute to the Plan in accordance with Internal Revenue Code regulations. NEXT makes discretionary contributions to the Plan. Contribution expense for 2021 and 2020 was \$46,313 and \$52,811, respectively.

Note 12 – 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.