



Certified Public Accountants and Advisors

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Michael D. Katz, CPA, ATA

Managing Partner

Eliot H. Lehenhart, CPA

Partner

Jay Lipner, CPA

Partner

Kenneth Lipner, CPA

Partner

Robert J. Mauro, CPA

Partner

Randy Sofferman, CPA

Partner

Anthony J. Viola, CPA

Partner

Alexandra L. Starr, CPA

Partner

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Felix Organization - Adoptees For Children, Inc.

Opinion

We have audited the accompanying financial statements of Felix Organization – Adoptees For Children, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activity, functional expenses, and cash flows for the year 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 Felix Organization – Adoptees For Children, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Felix Organization – Adoptees For Children, Inc. 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 of 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 Felix Organization – Adoptees For Children, Inc.'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 in 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 judgement 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 Felix Organization – Adoptees For Children, Inc.’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 aggregate, that raise substantial doubt about Felix Organization – Adoptees For Children, Inc.’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charges 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.

KVL SM LLP

Woodbury, NY
August 25, 2023

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 418,107
Investments, fair value	127,083
Unconditional promises to give:	
Without donor restrictions	<u>62,947</u>
TOTAL ASSETS	<u><u>\$ 608,137</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accrued expenses	<u>\$ 16,043</u>
Total Current Liabilities	16,043

NET ASSETS:

Without donor restrictions	<u>592,094</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 608,137</u></u>

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES:			
Contributions - Cash	\$ 150,545	\$ 86,605	\$ 237,150
Contributions - Non-cash	28,300	16,119	44,419
Grants	156,289	75,250	231,539
Special events	175,949	-	175,949
Interest and dividends	3,269	-	3,269
Net assets released from restrictions:			
Expenditures of program expenses	177,974	(177,974)	-
Total Revenues	692,326	-	692,326
EXPENSES:			
Program services	599,649	-	599,649
General and administrative	42,823	-	42,823
Fundraising	113,675	-	113,675
	756,147	-	756,147
Realized and unrealized loss on investments	2,637	-	2,637
Total Expenses	758,784	-	758,784
CHANGE IN NET ASSETS	(66,458)	-	(66,458)
NET ASSETS - BEGINNING OF YEAR	658,552	-	658,552
NET ASSETS - END OF YEAR	\$ 592,094	\$ -	\$ 592,094

FELIX ORGANIZATION - ADOPTEES FOR CHILDREN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges and credit card fees	\$ -	\$ 6,226	\$ -	\$ 6,226
Beyond Camp	25,031	-	-	25,031
Camp Felix	190,574	-	-	190,574
Camp Felix Garden	10,890	-	-	10,890
Camp Felix Girls Getaway	14,444	-	-	14,444
Camp Felix Pride	42,616	-	-	42,616
Camp Felix West	15,000	-	-	15,000
Christmas spectacular	5,787	-	-	5,787
Computer expense	4,028	310	1,859	6,197
Creative consultant expense	47,336	3,641	21,848	72,825
Donations	-	58	-	58
Friendship circle	15,000	-	-	15,000
Insurance	-	8,124	-	8,124
Level up	1,615	-	-	1,615
Marketing	-	-	3,243	3,243
Office and general expenses	4,300	331	1,984	6,615
Other event expenses	33,815	-	-	33,815
Other fundraising expenses	-	-	4,742	4,742
Payroll and other employee related expenses	143,961	11,074	66,444	221,479
Professional fees	-	10,770	-	10,770
Rent	967	-	242	1,209
Secret Santa	38,019	-	-	38,019
Telephone and internet	-	2,289	-	2,289
Travel and meetings expense	1,995	-	499	2,494
Walk this Way	4,271	-	12,814	17,085
Total Expenses	\$ 599,649	\$ 42,823	\$ 113,675	\$ 756,147

See independent auditors' report and accompanying notes to financial statements.

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows From Operating Activities:

Change in net assets	\$ (66,458)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Unrealized loss on investments	2,637
Decrease (Increase) in assets:	
Unconditional promises to give	(16,877)
Prepaid expenses	6,500
Increase (Decrease) in liabilities:	
Accrued expenses	9,883
Net Cash (Used in) Operating Activities	(64,315)
Cash Flows From Investing Activities:	
Purchases of investments	(2,767)
Net (Decrease) in Cash and Cash Equivalents	(67,082)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	485,189
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 418,107

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1. ORGANIZATION AND BUSINESS ACTIVITIES

Felix Organization - Adoptees For Children, Inc. (the "Organization") is a not-for-profit organization incorporated in the State of New York on January 25, 2006. The Organization provides programs that attempt to enrich the lives of children growing up in the foster care system by providing opportunities and new experiences including camp and other year-round activities. The Organization is supported primarily through sponsorships, grants and donor contributions. The Organization is a Section 501(c)(3) charitable organization.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

b. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

c. Investments

Investments are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist primarily of mutual funds. Unrealized losses are included in the change in net assets.

d. Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

e. Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

f. Contributed Services

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization receives more than 2,000 volunteer hours per year; however, these services do not meet the criteria for recognition as contributed services and are not reflected in the financial statements.

**FELIX ORGANIZATION -
ADOPTEES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Contract Balances

The Organization recognizes revenue as performance obligations are satisfied. A contract asset exists when the Organization has recognized revenue as a result of expecting to satisfy another performance obligation. A contract liability is recorded when the Organization has the right to receive payment in advance of the satisfaction of the performance obligation.

There were no contract assets or liabilities as of January 1, 2022 and December 31, 2022.

h. Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using the basis determined by management to be reasonable.

i. Net Assets

The classification of the Organization's net assets and its statement of activities is based on the existence, or absence, of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets, with donor restrictions and without donor restrictions, be displayed in a statement of financial position and that the amount of change in each of those classes of net assets be displayed in a statement of activities.

The two classes that comprise Net Assets are defined as follows:

- **Without donor restrictions** – The part of net assets of the Organization that is not subject to donor-imposed restrictions.
- **With donor restrictions** – The part of net assets of the Organization that is subject to donor-imposed restrictions.

The Organization does not have any assets with donor restrictions.

j. Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service ("IRS") as other than a private foundation.

The Organization's Form 990, Return of Organization Exempt from Income Tax, is generally no longer subject to examination by the IRS for years before 2019.

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

l. Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. It is not practicable for the Organization to estimate the amount of compensation for future absences. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to the employee.

m. Recently Adopted Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This requires that a not-for-profit entity present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and to disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. For each category of contributed nonfinancial assets recognized qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period: 1) If utilized, a not-for-profit will have to disclose a description of the programs or other activities in which those assets were used; 2) The not-for-profit's policy about monetizing rather than utilizing contributed nonfinancial assets; 3) A description of any donor-imposed restrictions associated with the contributed nonfinancial assets; 4) A description of the valuation techniques and inputs to arrive at a fair value measure, in accordance with the requirements in Topic 820, Fair Value Measurement, at initial recognition; and 5) The Principal market used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The effective date is for fiscal years beginning after June 15, 2021. The Organization has implemented the new changes for the year ended December 31, 2022 on a retrospective basis.

NOTE 3. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially expose the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash balances at two financial institutions which at times may exceed federally insured limits. The Organization's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in the aggregate, per financial institution.

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4. PROMISES TO GIVE

Unconditional promises to give consists of the following:

Contributions and grants receivable	\$	62,947
Amounts due in:		
Less than one year	\$	62,947

NOTE 5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for use within one year of the balance sheet date.

Financial assets at year-end	\$	608,137
Less those unavailable for general expenditures within one year due to:		
Assets with donor-imposed restrictions		-
Financial assets available to meet cash needs for general expenditures within one year	\$	608,137

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in money market accounts and short-term investments in mutual funds.

NOTE 6. CONTRIBUTED NONFINANCIAL ASSETS

For the year ended December 31, 2022, contributed nonfinancial assets recognized within the statement of activities included:

Footwear	\$	10,485
Gift cards		1,800
Makeup		28,300
Toys		3,834
Total	\$	44,419

The Organization recognized contributed nonfinancial assets in revenue. Contributions were solicited by the Organization for their Secret Santa and were included in revenues with donor restrictions. All other contributions received were included in revenues without donor restrictions. All nonfinancial contributions were distributed to children participating in the Secret Santa program and other programs offered by the Organization during the year ended December 31, 2022. Footwear, makeup, and toys were valued and are reported at their estimated retail values, and gift cards were valued and reported at their cash value.

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7. RELATED PARTY TRANSACTION

In 2022, the Organization accepted and distributed a \$15,000 grant as a fiscal sponsor for the benefit of Geneius, LLC dba Try Love Foundation (the sponsored), which is a nonprofit organization that is managed by an advisory board member of the Organization. The funds were used by the sponsored organization to provide basic needs items for at risk youth.

NOTE 8. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 25, 2023, the date the financial statements were available to be issued.