



Certified Public Accountants and Advisors

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Michael D. Katz, CPA, ATA
Managing Partner

Eliot H. Lebenhart, 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, 2021

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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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, 2021, 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, 2021, 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 for 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.

KVLSM LLP
Woodbury, NY
June 22, 2022

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 485,189
Investments, fair value	126,953
Unconditional promises to give:	
Without donor restrictions	46,070
Prepaid expenses	6,500
TOTAL ASSETS	<u>\$ 664,712</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accrued expenses	<u>\$ 6,160</u>
Total Current Liabilities	6,160

NET ASSETS:

Without donor restrictions	<u>658,552</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 664,712</u>

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES:			
Contributions	\$ 226,234	\$ -	\$ 226,234
Grants	140,521	54,051	194,572
Special events	147,991	-	147,991
Payroll Protection Program loan forgiveness	50,599	-	50,599
Interest and dividends	2,122	-	2,122
Realized and unrealized gains on investments	556	-	556
Net assets released from restrictions:			
Expenditures of program expenses	54,051	(54,051)	-
Total Revenues	622,074	-	622,074
EXPENSES:			
Program expenses	401,351	-	401,351
General and administrative	43,270	-	43,270
Fundraising costs	104,819	-	104,819
Total Expenses	549,440	-	549,440
CHANGE IN NET ASSETS	72,634	-	72,634
NET ASSETS - BEGINNING OF YEAR	585,918	-	585,918
NET ASSETS - END OF YEAR	\$ 658,552	\$ -	\$ 658,552

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

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges and credit card fees	\$ -	\$ 9,067	\$ -	\$ 9,067
Beyond Camp	10,371	-	-	10,371
Camp Felix	132,016	-	-	132,016
Camp Felix Girls Getaway	16,454	-	-	16,454
Camp Felix West	16,127	-	-	16,127
Christmas spectacular	2,500	-	-	2,500
Computer expense	3,264	251	1,507	5,022
Creative consultant expense	43,095	3,315	19,890	66,300
Donations	-	50	-	50
Friendship circle	3,000	-	-	3,000
Insurance	-	8,968	-	8,968
Level up	3,717	-	-	3,717
Marketing	-	-	963	963
Office and general expenses	4,306	331	1,988	6,625
Other event expenses	3,328	-	-	3,328
Other fundraising expenses	-	-	13,836	13,836
Payroll and other employee related expenses	130,179	10,014	60,082	200,275
Professional fees	-	9,583	-	9,583
Rent	960	-	240	1,200
Secret Santa	30,729	-	-	30,729
Telephone and internet	-	1,691	-	1,691
Travel and meetings expense	1,305	-	326	1,631
Walk this Way	-	-	5,987	5,987
Total Expenses	\$ 401,351	\$ 43,270	\$ 104,819	\$ 549,440

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, 2021

Cash Flows From Operating Activities:

Change in net assets	\$	72,634
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Noncash contributions of investments		(3,755)
Proceeds from sales of contributed investments		4,080
Unrealized gain on investments		(231)
Payroll Protection Program loan forgiveness		(50,599)
Decrease (Increase) in assets:		
Unconditional promises to give		(11,570)
Increase (Decrease) in liabilities:		
Accrued expenses		(1,191)
Advance ticket sales		(813)

Net Cash Provided by Operating Activities 8,555

Cash Flows From Investing Activities:

Purchases of investments (5,504)

Net Increase in Cash and Cash Equivalents 3,051

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 482,138

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 485,189

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Advance Ticket Sales

Advance ticket sales represent event tickets that were sold prior to the date of the event.

h. 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 as of January 1, 2021 and December 31, 2021. Contract liability includes advance ticket sales. Contract liabilities as of January 1, 2021 and December 31, 2021 were \$813 and \$0, respectively, of which \$813 was recognized as revenue in 2021.

i. 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.

j. 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.

k. 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 2018.

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. 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.

m. 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.

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. At December 31, 2021, the total uninsured balances were approximately \$60,000.

NOTE 4. PROMISES TO GIVE

Unconditional promises to give consists of the following:

Contributions and grants receivable	<u>\$ 46,070</u>
Amounts due in:	
Less than one year	<u>\$ 46,070</u>

NOTE 5. PAYCHECK PROTECTION PROGRAM LOAN

On May 3, 2020, the Organization entered into a promissory note agreement (the "Promissory Note") with Signature Bank, which provided for an unsecured loan of \$50,599 pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security Act and applicable regulations (the "CARES Act"). The loan and accrued interest were forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The Organization's entire loan was forgiven in September 2021.

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6. 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	\$ 658,212
Less those unavailable for general expenditures within one year due to:	
Assets with donor-imposed restrictions	<u> -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 658,212</u>

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 7. RISKS AND UNCERTAINTIES

In early March 2020, the COVID-19 virus was declared a global pandemic, and it unfortunately continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements because of this uncertainty.

NOTE 8. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 22, 2022, the date the financial statements were available to be issued.