



Certified Public Accountants and Advisors

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Managing Partner

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Randy Sofferman, CPA
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Anthony J. Viola, CPA
Partner

Alexandra L. Starr, CPA
Principal

**FELIX ORGANIZATION -
ADOPTERS FOR CHILDREN, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

CONTENTS

	Pages
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Felix Organization - Adoptees For Children, Inc. (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 Felix Organization - Adoptees For Children, Inc. as of December 31, 2020, 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.

KVLSM LLP

Woodbury, NY
August 16, 2021

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 482,138
Investments, fair value	121,543
Unconditional promises to give:	
Without donor restrictions	34,500
Prepaid expenses	<u>6,500</u>
TOTAL ASSETS	<u><u>\$ 644,681</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accrued expenses	\$ 7,351
Advance ticket sales	813
Payroll Protection Program loan	<u>50,599</u>
Total Current Liabilities	58,763

NET ASSETS:

Without donor restrictions	<u>585,918</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 644,681</u></u>

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	WITHOUT DONOR RESTRICTIONS
REVENUES:	
Contributions	\$ 255,856
Special events	90,428
Economic Injury Disaster advance	3,000
Interest and dividends	2,678
Total Revenues	351,962
 EXPENSES:	
Program expenses	316,425
General and administrative	38,618
Fundraising costs	87,208
Unrealized loss on investment	3,309
Total Expenses	445,560
CHANGE IN NET ASSETS	(93,598)
NET ASSETS - BEGINNING OF YEAR	679,516
NET ASSETS - END OF YEAR	\$ 585,918

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges and credit card fees	\$ -	\$ 9,181	\$ -	\$ 9,181
Beyond Camp	12,921	-	-	12,921
Camp Felix	47,112	-	-	47,112
Camp Felix Girls Getaway	24,576	-	-	24,576
Camp Felix Pride	418	-	-	418
Camp Felix West	12,500	-	-	12,500
Computer expense	3,205	247	1,478	4,930
COVID-19 Emergency Relief Fund	17,576	-	-	17,576
Creative consultant expense	43,095	3,315	19,890	66,300
Dance this Way	35	-	3,682	3,717
Donations	-	179	-	179
Insurance	-	5,668	-	5,668
Marketing	-	-	1,988	1,988
Office and general expenses	4,810	370	2,220	7,400
Other event expenses	5,169	-	-	5,169
Other fundraising expenses	-	-	638	638
Payroll and other employee related expenses	122,281	9,406	56,437	188,124
Professional fees	-	8,300	-	8,300
Rent	880	-	220	1,100
Secret Santa	19,225	-	-	19,225
Telephone and internet	-	1,952	-	1,952
Travel and meetings expense	2,622	-	655	3,277
Total Expenses	<u>\$ 316,425</u>	<u>\$ 38,618</u>	<u>\$ 87,208</u>	<u>\$ 442,251</u>

FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows From Operating Activities:

Change in net assets	\$	(93,598)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Unrealized loss on investment		3,309
(Increase) in assets:		
Unconditional promises to give		(17,500)
Prepaid expenses		(3,156)
Increase (Decrease) in liabilities:		
Accrued expenses		(3,911)
Advances from Paycheck Protection Program loan		50,599
Advance ticket sales		813
Net Cash (Used in) Operating Activities		(63,444)
Cash Flows From Investing Activities:		
Purchases of investments		(101,850)
Net Decrease in Cash and Cash Equivalents		(165,294)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		647,432
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	482,138

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020**

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, 2020 and December 31, 2020. Contract liability includes advance ticket sales. Contract liabilities as of January 1, 2020 and December 31, 2020 were zero and \$813, respectively.

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 2017.

**FELIX ORGANIZATION -
ADOPTEES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020, the total uninsured balances were approximately \$52,000.

NOTE 4. PROMISES TO GIVE

Unconditional promises to give consists of the following:

Contributions and grants receivable	<u>\$ 34,500</u>
Amounts due in:	
Less than one year	<u>\$ 34,500</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"). Forgiveness of the Promissory Note will be determined in accordance with the provisions of the CARES Act and applicable regulations. The Organization used the entire loan amount for designated qualifying expenses and intends to apply for forgiveness of the loan in accordance with the terms of the PPP.

**FELIX ORGANIZATION -
ADOPTees FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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	\$ 638,181
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>\$ 638,181</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 continues 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 August 16, 2021, the date the financial statements were available to be issued.