



Certified Public Accountants and Advisors

————— [www.kvlsmcpa.com](http://www.kvlsmcpa.com) —————

**Michael D. Katz, CPA, ATA**  
*Managing Partner*

**Jay Lipner, CPA**  
*Partner*

**Kenneth Lipner, CPA**  
*Partner*

**Robert J. Mauro, CPA**  
*Partner*

**Randy Sofferman, CPA**  
*Partner*

**Alexandra L. Starr, CPA**  
*Partner*

**Anthony J. Viola, CPA**  
*Partner*

**Eliot H. Lebenhart, CPA**  
*Retired Partner*

**FELIX ORGANIZATION -  
ADOPTees FOR CHILDREN, INC.**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**FELIX ORGANIZATION -  
ADOPTees FOR CHILDREN, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**CONTENTS**

	<b>Pages</b>
<b>Independent Auditors' Report</b>	1 - 2
<b>Financial Statements:</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10



Certified Public Accountants and Advisors

www.kvlsmcpa.com

**Michael D. Katz, CPA, ATA**  
*Managing Partner*

**Jay Lipner, CPA**  
*Partner*

**Kenneth Lipner, CPA**  
*Partner*

**Robert J. Mauro, CPA**  
*Partner*

**Randy Sofferman, CPA**  
*Partner*

**Alexandra L. Starr, CPA**  
*Partner*

**Anthony J. Viola, CPA**  
*Partner*

**Eliot H. Lebenhart, CPA**  
*Retired Partner*

## **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, 2023, 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, 2023, 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 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  
July 11, 2024

**FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

---

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 381,995
Investments, fair value	136,259
Unconditional promises to give:	
Without donor restrictions	<u>45,751</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 564,005</u></u></b>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accrued expenses	<u>\$ 19,242</u>
<b>Total Current Liabilities</b>	<b>19,242</b>

**NET ASSETS:**

Without donor restrictions	<u>544,763</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 564,005</u></u></b>

**FELIX ORGANIZATION - ADOPTEES FOR CHILDREN, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUES:</b>			
Contributions - Cash	\$ 178,174	\$ 41,942	\$ 220,116
Contributions - Non-cash	103,508	11,789	115,297
Grants	282,664	48,275	330,939
Special events	168,013	-	168,013
Interest and dividends	7,678	-	7,678
Net assets released from restrictions:			
Expenditures of program expenses	102,006	(102,006)	-
<b>Total Revenues</b>	<b>842,043</b>	<b>-</b>	<b>842,043</b>
<b>EXPENSES:</b>			
Program services	674,185	-	674,185
General and administrative	45,361	-	45,361
Fundraising	171,745	-	171,745
	891,291	-	891,291
Realized and unrealized gains on investments	(1,917)	-	(1,917)
<b>Total Expenses</b>	<b>889,374</b>	<b>-</b>	<b>889,374</b>
<b>CHANGE IN NET ASSETS</b>	<b>(47,331)</b>	<b>-</b>	<b>(47,331)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>592,094</b>	<b>-</b>	<b>592,094</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 544,763</b>	<b>\$ -</b>	<b>\$ 544,763</b>

**FELIX ORGANIZATION - ADOPTees FOR CHILDREN, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges and credit card fees	\$ -	\$ 6,403	\$ -	\$ 6,403
Beyond Camp	30,948	-	-	30,948
Camp Felix	313,178	-	-	313,178
Children's Home of Poughkeepsie	25,120	-	-	25,120
Christmas spectacular	6,100	-	-	6,100
Computer expense	3,464	266	1,599	5,329
Creative consultant expense	48,841	3,757	22,542	75,140
Insurance	-	9,408	-	9,408
Level up	3,332	-	-	3,332
Marketing	-	-	3,009	3,009
Office and general expenses	4,235	326	1,955	6,516
Online auction fees	-	-	25,000	25,000
Other fundraising expenses	-	-	25,828	25,828
Payroll and other employee related expenses	172,928	13,302	79,813	266,043
Professional fees	-	10,120	-	10,120
Rent	1,084	-	271	1,355
Secret Santa	36,168	-	-	36,168
Skate this Way	17,450	-	-	17,450
Telephone and internet	-	1,779	-	1,779
Thanksgiving Feast-i-val	4,327	-	-	4,327
Travel and meetings expense	3,382	-	845	4,227
Walk this Way	3,628	-	10,883	14,511
<b>Total Expenses</b>	<b>\$ 674,185</b>	<b>\$ 45,361</b>	<b>\$ 171,745</b>	<b>\$ 891,291</b>

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, 2023**

---

**Cash Flows From Operating Activities:**

Change in net assets	\$ (47,331)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Unrealized gain on investments	(1,917)
Decrease (Increase) in assets:	
Unconditional promises to give	17,196
Prepaid expenses	-
Increase (Decrease) in liabilities:	
Accrued expenses	3,199
<b>Net Cash (Used in) Operating Activities</b>	<u>(28,853)</u>
<b>Cash Flows From Investing Activities:</b>	
Purchases of investments	<u>(7,259)</u>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	(36,112)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>418,107</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 381,995</u></u>



**FELIX ORGANIZATION -  
ADOPTees FOR CHILDREN, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**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 gains and 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, 2023**

---

**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, 2023 and December 31, 2023.

**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. 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.

**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 2020.

**FELIX ORGANIZATION -  
ADOPTees FOR CHILDREN, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1. 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.

**NOTE 4. PROMISES TO GIVE**

Unconditional promises to give consists of the following:

Contributions and grants receivable		<u>\$ 45,751</u>
Amounts due in:		
Less than one year		<u>\$ 45,751</u>

**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		\$ 564,005
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>\$ 564,005</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.

**FELIX ORGANIZATION -  
ADOPTEES FOR CHILDREN, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

---

**NOTE 6. CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended December 31, 2023, contributed nonfinancial assets recognized within the statement of activities included:

Baggage	\$ 24,638
Clothing	31,696
Computer equipment	15,519
Gift cards	600
Makeup and toiletries	25,500
Photography and frames	5,040
Toys	<u>12,304</u>
Total	<u>\$ 115,297</u>

The Organization recognized contributed nonfinancial assets in revenue. Nonfinancial contributions solicited by the Organization for their Secret Santa program totaled \$11,789 and were included in revenues with donor restrictions. All other nonfinancial contributions received totaled \$103,508 and were included in revenues without donor restrictions. Contributed nonfinancial assets included baggage, clothing, computer equipment, makeup and toiletries, photography and frames, and toys, valued and reported at their estimated retail values, and gift cards valued and reported at their cash value.

For the year ended December 31, 2023, contributed nonfinancial assets were donated to children and expensed to the following program expenses:

Beyond Camp	\$ 15,519
Camp Felix	45,419
Children's Home of Poughkeepsie	25,120
Secret Santa	11,789
Skate this way	<u>17,450</u>
Total Contributions - Non-cash	<u>\$ 115,297</u>

**NOTE 7. CONTINGENCIES**

On April 27, 2023 a lawsuit was filed against the Organization that is currently being litigated by the attorney for the Organization's insurance company on behalf of the Organization. While it is not possible to determine the outcome of this lawsuit, management believes that any resolution of this matter would be within the limits of available insurance coverage. As such, no legal contingent liability has been accrued as of December 31, 2023.

**NOTE 8. EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through July 11, 2024, the date the financial statements were available to be issued.