

LATINX KIDLIT BOOK FESTIVAL, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024



HERMAN, SILVER & ASSOCIATES CPAS, LLC
CERTIFIED PUBLIC ACCOUNTANTS
ATLANTA, GEORGIA 30339

LATINX KIDLIT BOOK FESTIVAL, INC.

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HERMAN, SILVER & ASSOCIATES CPAS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Accountants' Review Report

October 1, 2025

To the board members
Latinx Kidlit Book Festival, Inc.
Washington Depot, Connecticut

We have reviewed the accompanying financial statements of Latinx Kidlit Book Festival, Inc., which comprise the statement of financial condition as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Latinx Kidlit Book Festival, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with U.S. generally accepted accounting principles. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Latinx Kidlit Book Festival, Inc. and to meet our ethical responsibilities, in accordance with relevant ethical requirements related to our review.



HERMAN, SILVER & ASSOCIATES CPAS, LLC
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Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.

Respectfully submitted,

HERMAN, SILVER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

LATINX KIDLIT BOOK FESTIVAL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 40,680
Accounts receivable	<u>2,900</u>
Total current assets	\$ <u>43,580</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 6,654
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NET ASSETS

Net assets without donor restrictions	<u>36,926</u>
Total liabilities and net assets	\$ <u>43,580</u>

SEE INDEPENDENT REVIEW REPORT AND
NOTES TO FINANCIAL STATEMENTS



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LATINX KIDLIT BOOK FESTIVAL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

CHANGES IN NET ASSETS WITHOUT DONOR
RESTRICTIONS

REVENUES

Contributions and grants	\$ 121,294
In-kind donations	70,000
Program service revenue	26,057
Fundraising	<u>106,037</u>
Total revenue	<u>323,388</u>

EXPENSES

Program expenses	120,937
General and administrative expenses	7,117
Fundraising expenses	<u>190,234</u>
Total expenses	<u>318,288</u>

INCREASE IN NET ASSETS

5,100

NET ASSETS - Beginning

31,826

NET ASSETS - Ending

\$ 36,926

SEE INDEPENDENT REVIEW REPORT AND
NOTES TO FINANCIAL STATEMENTS



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LATINX KIDLIT BOOK FESTIVAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program</u> <u>Expenses</u>	<u>General &</u> <u>Administrative</u> <u>Expenses</u>	<u>Fundraising</u> <u>Expenses</u>	<u>Total</u>
Advertising and marketing	\$ 4,315	\$ -0-	\$ -0-	\$ 4,315
Events	22,706	-0-	-0-	22,706
Social media	1,811	-0-	600	2,411
Awards and grants	600	-0-	-0-	600
Contract and professional fees	76,353	1,413	13,194	90,960
Fundraising expense	-0-	-0-	4,447	4,447
Educational programs	15,152	-0-	-0-	15,152
LKBF benefit expenses	-0-	-0-	11,082	11,082
Office expense	-0-	5,704	-0-	5,704
Storytellers conference	<u>-0-</u>	<u>-0-</u>	<u>160,911</u>	<u>160,911</u>
Total expenses	\$ <u>120,937</u>	\$ <u>7,117</u>	\$ <u>190,234</u>	\$ <u>318,288</u>

SEE INDEPENDENT REVIEW REPORT AND
NOTES TO FINANCIAL STATEMENTS'

LATINX KIDLIT BOOK FESTIVAL, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 5,100
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Decrease in accounts receivable	2,100
Increase in accounts payable	<u>4,154</u>
Net cash provided by operating activities	<u>11,354</u>

NET INCREASE IN CASH 11,354

CASH - Beginning 29,326

CASH - Ending \$ 40,680

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year:	
Interest	\$ <u><u>0-</u></u>
Income taxes	\$ <u><u>-0-</u></u>

SEE INDEPENDENT REVIEW REPORT AND
 NOTES TO FINANCIAL STATEMENTS

LATINX KIDLIT BOOK FESTIVAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

The Latinx Kidlit Festival, Inc. (the "Organization") was founded in 2021. The mission of the Organization is to foster a love of story and literacy as well as increase empathy and conversation among educators, students, and book lovers while uplifting the voices of Latinx kidlit book creators.

Note A - Summary of Significant Accounting Policies

The Organization's Summary of Significant Accounting Policies are presented to assist in understanding its financial statements. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the statements' preparation. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity.

Basis of Accounting and Presentation - The Organization maintains its accounting records on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions are not subject to or no longer subject to donor-imposed time and/or purpose restrictions.

Net assets with donor restrictions whose use is limited by donor-imposed time and/or purpose restrictions.

As of December 31, 2024, there are no donor restrictions on the net assets shown in the accompanying statement of financial position.

Cash and cash equivalents - Cash and cash equivalents include all highly liquid investment purchased with an initial maturity of three months or less. As of December 31, 2024 there were no cash equivalents.

Grants and pledges receivable - Grants receivable arise from services provided under the grants' terms, and pledges receivable are recognized when a donor makes a written pledge to the Organization. Management annually evaluates the need for an allowance for uncollectible pledges, based upon historical experience and pledge age. As a result of that, no allowance was considered necessary as of December 31, 2024.

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of the guidance is that an entity should recognize to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Organization's revenue recognition policies meets the core principle requirements of Topic 606. Other aspects of Topic 606 do not apply to the Organization since it does not enter in to contracts with either its donors or benefactors.

LATINX KIDLIT BOOK FESTIVAL, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

Note A - Summary of Significant Accounting Policies (Continued):

Donated assets, space and services - Donated marketable securities and other noncash donations are recorded as contributions at their estimated, fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During 2024, the Organization recognized in-kind donations for use of a donor's venue for fundraising purposes of \$70,000.

Contributions - Unconditional promises to give and contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Functional allocation of expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The financial statements also report certain categories of expenses that are attributed to more than one function requiring allocation on a reasonable basis that is consistently applied. Costs are directly charged to the function they benefit. Personnel costs are allocated based on estimated time spent for each function.

Fair value of financial instruments - The Organization's financial instruments consist of cash, grants and pledges receivable, and accounts payable. The carrying value of these instruments approximated fair value due to their relatively short-term nature.

Tax exempt status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2024, the Organization did not have any unrelated business income and, accordingly, no unrelated business income tax. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's income tax returns are subject to examination by the appropriate regulatory authorities, and as of December 31, 2024, the Organization's federal tax returns remain open to examination for the last three (3) years.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

LATINX KIDLIT BOOK FESTIVAL, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

Note B - Concentrations of credit and other risks

The Organization maintains its cash at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC-insured limit is \$250,000 of deposits per financial institution. Management believes that the FDIC backing and the quality of the financial institution with which these amounts are deposited minimizes any potential risk of material loss. The Organization receives a majority of funding through foundation grants. Future economic conditions or changes in funding could negatively impact the Organization's ability to continue their programs at the current level. As of December 31, 2024, uninsured cash balances totaled \$540.

Note C - Liquidity and availability of financial assets

The Organization's primary sources of support are grants and pledges. Monthly cash outflows vary each year based on the number of programs operating. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Organization approves the action.

The Organization's financial assets as of December 31, 2024 available within one year after this date to satisfy liabilities at this date and for future general expenditure are as follows:

Cash	\$ 40,680
Accounts receivable	<u>2,900</u>
 Total financial assets	 43,580
 Donor-imposed restrictions:	
Cash and receivable restricted to specific uses	<u>-0-</u>
 Financial assets available to meet cash needs for expenditures within one year	 \$ <u>43,580</u>

Note F - Subsequent Events

Management has evaluated events and transactions which occurred through October 1, 2025, which was the date the financial statements were available to be issued. Management has determined that no other events or transactions are required to be disclosed.