

**LATINO MEMPHIS, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**



**CERTIFIED PUBLIC ACCOUNTANTS**

# LATINO MEMPHIS, INC.

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JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Latino Memphis, Inc.  
Memphis, Tennessee

### ***Opinion***

We have audited the financial statements of Latino Memphis, Inc. (a Tennessee nonprofit corporation), which comprise the statement of financial position as of June 30, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Latino Memphis, Inc. as of June 30, 2024, 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 (GAAS). 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 Latino Memphis, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the 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 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 Latino Memphis, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Latino Memphis, 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 the aggregate, that raise substantial doubt about Latino Memphis, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged 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.

Memphis, Tennessee  
August 21, 2024

*Henderson Hutcherson  
& McCullough, PLLC*

# LATINO MEMPHIS, INC.

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

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<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 632,777
Investments	57,404
Accounts receivable	511,921
Grants receivable	120,036
Prepaid expenses	<u>8,636</u>
Total current assets	<u>1,330,774</u>
<b>OTHER ASSETS</b>	
Security deposits	<u>300</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,331,074</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Note payable - current portion	\$ 3,884
Line of credit	124,073
Accounts payable	18,860
Accrued payroll expenses	<u>46,145</u>
Total current liabilities	<u>192,962</u>
<b>LONG-TERM LIABILITIES</b>	
Note payable	<u>134,462</u>
Total liabilities	<u>327,424</u>
<b>NET ASSETS</b>	
Net assets without donor restrictions	883,614
Net assets with donor restrictions	<u>120,036</u>
Total net assets	<u>1,003,650</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,331,074</u></u>

The accompanying notes are an integral part of the financial statements.

# LATINO MEMPHIS, INC.

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 171,471	\$ 201,036	\$ 372,507
Service revenue	1,428,482	-	1,428,482
Other	30,335	-	30,335
Net assets released from restriction:			
Satisfaction of program restrictions	<u>196,500</u>	<u>(196,500)</u>	<u>-</u>
 Total support and other revenues	<u>1,826,788</u>	<u>4,536</u>	<u>1,831,324</u>
 <b>EXPENSES</b>			
Program services	1,743,770	-	1,743,770
Management and general	<u>708,752</u>	<u>-</u>	<u>708,752</u>
 Total expenses	<u>2,452,522</u>	<u>-</u>	<u>2,452,522</u>
 <b>OTHER CHANGES</b>			
Investment return, net	<u>6,102</u>	<u>-</u>	<u>6,102</u>
Total other changes	<u>6,102</u>	<u>-</u>	<u>6,102</u>
 <b>CHANGE IN NET ASSETS</b>	 (619,632)	 4,536	 (615,096)
 Net assets - beginning of year	<u>1,503,246</u>	<u>115,500</u>	<u>1,618,746</u>
 Net assets - end of year	<u>\$ 883,614</u>	<u>\$ 120,036</u>	<u>\$ 1,003,650</u>

# LATINO MEMPHIS, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

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	<b>Program Services</b>	<b>Management and General</b>	<b>Total Expenses</b>
Salaries	\$ 1,275,740	\$ 299,248	\$ 1,574,988
Payroll taxes	89,902	21,088	110,990
Employee benefits	<u>119,216</u>	<u>22,708</u>	<u>141,924</u>
Total salaries and benefits	1,484,858	343,044	1,827,902
Advertising and printing	298	68,514	68,812
Auto expenses	-	1,078	1,078
Bank and credit card fees	-	590	590
Bad debt expense	-	9,735	9,735
Contract labor	38,748	55,759	94,507
Depreciation	-	286	286
Dues and subscriptions	-	10,174	10,174
Educational programming	9,685	-	9,685
Insurance	3,392	12,025	15,417
Interest	-	5,405	5,405
Licenses and fees	-	7,963	7,963
Meals	-	3,335	3,335
Occupancy	4,733	29,073	33,806
Office expenses	4,793	32,078	36,871
Other	-	2,713	2,713
Professional fees	24,679	35,513	60,192
Repairs and maintenance	-	1,829	1,829
Special events	-	7,949	7,949
Technology	42,787	44,534	87,321
Training and development	30,783	952	31,735
Travel	99,014	29,576	128,590
Utilities	<u>-</u>	<u>6,627</u>	<u>6,627</u>
Total functional expenses	<u>\$ 1,743,770</u>	<u>\$ 708,752</u>	<u>\$ 2,452,522</u>

# LATINO MEMPHIS, INC.

## STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

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### CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (615,096)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	286
Gain from marketable securities	(5,021)
Bad debt expense	9,735
Changes in operating assets and liabilities:	
Accounts receivable	(72,512)
ERTC receivable	188,004
Grants receivable	5,464
Prepaid expenses	3,542
Accounts payable	12,361
Accrued expenses	<u>4,736</u>
Net cash from operating activities	<u>(468,501)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends reinvested	<u>(1,081)</u>
Net cash from investing activities	<u>(1,081)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

Net proceeds on line of credit	124,073
Net payments of principal on long-term debt	<u>(3,766)</u>
Net cash from financing activities	<u>120,307</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS** (349,275)

Cash and cash equivalents - beginning of year 982,052

Cash and cash equivalents - end of year \$ 632,777

### SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid \$ 5,405



# LATINO MEMPHIS, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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### NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Latino Memphis, Inc. (the Organization) is a Tennessee nonprofit organization founded in 1995 whose mission is to assist Latinos in the greater Memphis area access available services by connecting, collaborating, and advocating for health, education, and justice. The Organization envisions a future in which every Latino in the Memphis metropolitan area has the opportunity and the resources to become an engaged and active member of the larger community.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The Organization prepares its financial statements using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) establishes GAAP in the Accounting Standards Codification (ASC). Updates to the ASC are done through the issuance of Accounting Standards Updates (ASU).

#### **Financial Statement Presentation**

GAAP requires not-for-profit organizations to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization has no net assets with perpetual restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

#### **Measure of Operations**

The statement of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing programs. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature, including investment income.

(Continued)

**LATINO MEMPHIS, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Latino Memphis receives revenues from providing post release and home study services for unaccompanied children through a contract with a human services organization. Revenues from these services are recognized when the services have been provided. Revenue from contributions and grants are recorded in the period in which they are pledged or received.

**Contributions and Grants**

Contributions and grants are recognized when the actual gift is received. Contributions and grants received are recorded as with or without donor restrictions depending on the existence and/or nature of the restrictions as stipulated by the donor.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities and changes in net assets and shown in more detail in the statement of functional expenses. Costs which are associated with a specific program or activity are charged directly to that program or activity. Costs that are not specifically identifiable are allocated based upon management estimates of the functions benefited.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Contract labor	Time and effort
Insurance	Use of assets
Travel	Specific purpose
Professional fees	Time and effort
Office expense	Specific purpose
Advertising	Specific purpose
Occupancy	Use of assets
Training and development	Specific purpose

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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# LATINO MEMPHIS, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Contributed Services**

During the year ended June 30, 2024, the value of contributed services did not meet the requirements for recognition in the financial statements and therefore has not been recorded.

#### **Income Taxes**

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

#### **Advertising Costs**

The Organization expenses advertising costs as incurred. For the year ended June 30, 2024, advertising costs totaled \$68,812.

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

#### **Accounts Receivable**

The Organization does not sell products or services, and therefore does not extend credit in the commercial sense. However, if a grant is received, a contract is executed, or another contribution is promised, the amount not yet received is booked as income once the Organization has met all conditions. As of June 30, 2024, accounts receivable consisted of grants, contracts, and other contributions receivable for which all conditions required of the Organization, if any, had been met.

As of June 30, 2023, the balance of accounts receivable was \$439,409.

#### **Allowance for Credit Losses**

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 are account receivables.

Latino Memphis, Inc. adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

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**LATINO MEMPHIS, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

Property and equipment are recorded at cost, if purchased, or at fair market value on the date of the gift, if received as a donation. The Organization capitalizes purchases or gifts that have an estimated useful life of more than one year unless the cost or value is de minimis. Depreciation for property and equipment is provided over the estimated useful lives of the assets, which range from 3-5 years and is computed using the straight-line method. Gifts of furniture, fixtures and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of these donor restrictions when the acquired long-lived assets are placed in service.

**Investments**

Investments are carried at fair value. Securities are held in a custodial account administered by a local community foundation. Interest and dividend income are recorded on the accrual basis. Realized gains and losses on the sales of securities are calculated based on specific identification of the securities sold, as reported by the custodian.

**NOTE 3 – AVAILABILITY AND LIQUIDITY**

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following represents the Organization's financial assets as of June 30, 2024:

<u>Description</u>	<u>Amount</u>
Financial assets at year-end:	
Cash and cash equivalents	\$ 632,777
Investments	57,404
Accounts receivable	511,921
Grants receivable	120,036
Total financial assets	<u>1,322,138</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	120,036
Less net assets with purpose restrictions to be met in less than a year	<u>(120,036)</u>
	<u>-</u>
Financial assets available to meet general expenditures over the next four months	<u>\$ 1,322,138</u>

# LATINO MEMPHIS, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

### NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENT

The Organization follows ASC Topic 820, *Fair Value Measurements and Disclosures*. This standard defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value, and specifies disclosure requirements for fair value measurements. This guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1: Quoted prices available in active markets for identical assets or liabilities as of the report date.

Level 2: Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable, available as of the report date.

Level 3: Inputs into the determination of fair value are not observable as of the report date and significant management judgment or estimation is required.

The Organization has a beneficial interest in assets held by the Community Foundation of Greater Memphis (CFGM) which are presented at fair value.

The beneficial interest in assets held by CFGM are certain assets transferred to CFGM under the terms of a designated fund agreement. These funds are to be reflected in the statement of financial position as an asset if the transferor retains the right to direct the fund. Distributions from the fund are not subject to variance power and the Organization can request principal and interest from the fund at any time. Assets held by CFGM are considered Level 3 securities since the Organization's interest is a component of the asset pool.

The Organization's investments measured at fair value on a recurring basis consist of the following as of June 30, 2024:

<u>Investments</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Beneficial interest in pooled fund	\$ 57,404	\$ -	\$ -	\$ 57,404
Total assets	<u>\$ 57,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,404</u>

(Continued)

# LATINO MEMPHIS, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

### NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

The following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3):

<u>Description</u>	<u>Amount</u>
Balance, July 1, 2023	\$ 51,302
Investment return	<u>6,102</u>
Balance, June 30, 2024	<u>\$ 57,404</u>

### Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Organization's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

<u>Instrument</u>	<u>Value at 06/30/2024</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Weighted Average Return</u>
Balanced pool	\$ 57,404	Fair market value of the underlying pool of assets	Pooled Fund	11.9%

### NOTE 5 – INVESTMENT INCOME

For the year ended June 30, 2024, investment return included in the statement of activities is as follows:

<u>Category</u>	<u>Amount</u>
Realized gains	\$ 1,260
Unrealized gains	4,174
CFGM management fee	(257)
Investment expenses	<u>(156)</u>
Gain from marketable securities	5,021
Dividends and interest income	<u>1,081</u>
Total investment return (loss)	<u>\$ 6,102</u>

### NOTE 6 – LINE OF CREDIT

Latino Memphis, Inc. has a line of credit with American Express with a credit limit of \$148,000. The line bears interest at 10.60% per annum. The line of credit is to be repaid in monthly installments of \$25,407 over a period of 6 months. As of June 30, 2024, the balance was \$124,073.

**LATINO MEMPHIS, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

**NOTE 7 – LONG-TERM DEBT**

In June 2020, the Organization was granted an unsecured loan from a local bank in the amount of \$149,900 as an Economic Injury Disaster Loan (EIDL) under Section 7(b) of the Small Business Act.

The loan bears interest at a rate of 2.75% per annum and is payable in monthly installments of \$641 commencing in June 2021. The note is due in full thirty years from the date of the promissory note.

Minimum annual principal payments for the long-term debt as of June 30, 2024, were as follows:

<b>Fiscal Year</b>	<b>Amount</b>
2025	\$ 3,884
2026	3,994
2027	4,106
2028	4,213
2029	4,341
Thereafter	117,808
Total	\$ 138,346

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2024, consisted of grants receivable and were available for the following purposes:

<b>Description</b>	<b>Amount</b>
Subject to expenditure for specific purposes:	
Human services	\$ 21,000
Latinix in Business	60,000
Latinix @ Work Initiative	25,000
Digital Skills for Life	14,036
Total net assets with donor restrictions	\$ 120,036

During the year ended June 30, 2024, net assets released from donor restrictions were as follows:

<b>Description</b>	<b>Amount</b>
Cosmic Relief - Human Services	\$ 94,500
Latinix in Business	25,000
Digital Skills for Life	30,000
Hustle Application	17,000
Latinix at Work	30,000
	\$ 196,500

# LATINO MEMPHIS, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

### NOTE 9 – CONCENTRATIONS

The organization had service contracts with two entities that accounted for 66% of the total annual revenue.

### NOTE 10 – LEASE COMMITMENTS

The Organization leases office space for several adjacent suites which it uses as its principal office. The lease terms matured as of July 31, 2022; at which time the Organization began paying rent on a month-to-month basis. Monthly rent payments total \$1,940. The Organization can cancel the lease with a 30-day notice period with no penalties and expects the arrangement to be less than a year as the Organization is currently negotiating longer term renewal with its landlord, pending completion of significant repairs. In addition, the Organization also leases copiers (fixed rent and variable usage rent) and storage space on a month-to-month basis. Total rent expense for the year ended June 30, 2024, was as follows:

<u>Category</u>	<u>Amount</u>
Short-term lease cost	\$ 29,005
Variable lease cost	<u>4,801</u>
Total lease cost	<u>\$ 33,806</u>

### NOTE 11 – EMPLOYEE BENEFIT PLAN

The Organization has a SIMPLE IRA plan for qualifying employees. Employees may elect to contribute, on a tax deferred basis, a portion of their compensation, subject to IRS limitations. The Organization will match 100% of employee deferrals up to 3% of wages. The Organization's contribution to the plan for the year ended June 30, 2024, was \$16,310.

### NOTE 12 – UNCERTAIN TAX POSITIONS

The Organization follows the accounting guidance for uncertainty in income taxes using the provisions of ASC Topic 740, *Income Taxes*. Based on its evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The Organization's evaluation was performed for the tax years ended June 30, 2021 through June 30, 2024, the years which remain subject to examination by major tax jurisdictions.

### NOTE 13 – RISKS AND UNCERTAINTIES

#### Custodial Risk

The Organization's financial instruments that are exposed to concentrations of custodial risk consist primarily of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents at local financial institutions. From time-to-time, such balances may have exceeded the FDIC insurance limit; however, management does not believe it is exposed to any significant custodial risk on cash and cash equivalents.

(Continued)



# LATINO MEMPHIS, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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### NOTE 13 – RISKS AND UNCERTAINTIES (Continued)

#### **Market Risk**

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could affect the amounts reported in the financial statements.

### NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the statement of financial position date through August 21, 2024, the date the financial statements were available to be issued, for potential recognition or disclosure in the financial statements. There have been no events or transactions requiring recognition or disclosure.