

INTERNATIONAL BOOK PROJECT, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024 and 2023

*BESTEN & DIERUF, PLLC
CERTIFIED PUBLIC ACCOUNTANTS*

C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

Board of Directors
International Book Project, Inc.
Lexington, Kentucky

Opinion

We have audited the accompanying financial statements of International Book Project, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2024 and 2023, and the related statement of support, revenue, and expenses—modified cash basis 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 assets, liabilities, and net assets of International Book Project, Inc. as of December 31, 2024 and 2023, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note B.

Basis for Opinion

We conducted our audits 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 International Book Project, 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.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note B, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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 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 International Book Project, 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 International Book Project, 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.



The image shows a handwritten signature in black ink. The signature consists of two parts: 'Batten' on the left and 'Derry' on the right, separated by a ampersand (&). Below the signature, the text 'CERTIFIED PUBLIC ACCOUNTANTS' is printed in a smaller, all-caps, sans-serif font.

Lexington, Kentucky

May 2, 2025

INTERNATIONAL BOOK PROJECT, INC.
 STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
 DECEMBER 31,

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 71,365	\$ 45,916
Cash and cash equivalents - donor restricted	<u>126,300</u>	<u>4,800</u>
TOTAL CURRENT ASSETS	197,665	50,716
PROPERTY, PLANT, AND EQUIPMENT		
Building and improvements	961,883	961,883
Machinery and equipment	<u>23,832</u>	<u>23,832</u>
TOTAL PROPERTY, PLANT, AND EQUIPMENT	985,715	985,715
Accumulated depreciation	<u>(448,062)</u>	<u>(402,601)</u>
NET PROPERTY, PLANT, AND EQUIPMENT	537,653	583,114
OTHER ASSETS		
Investment trust account	<u>424,845</u>	<u>375,421</u>
TOTAL ASSETS	<u>\$ 1,160,163</u>	<u>\$ 1,009,251</u>
LIABILITIES AND NET ASSETS		
NET ASSETS		
Without donor restrictions:		
Undesignated	609,018	629,030
Designated	<u>424,845</u>	<u>375,421</u>
With donor restrictions	<u>126,300</u>	<u>4,800</u>
TOTAL NET ASSETS	<u>1,160,163</u>	<u>1,009,251</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,160,163</u>	<u>\$ 1,009,251</u>

See Independent Auditors' Report and Notes to Financial Statements.

INTERNATIONAL BOOK PROJECT, INC.
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
SUPPORT AND REVENUE			
General and shipping contributions	\$ 107,655	\$ -	\$ 107,655
Grants and capital projects	143,659	126,435	270,094
Fundraising event	125	-	125
Sales	16,553	-	16,553
Interest	3,886	-	3,886
Program fees	3,621	-	3,621
Other income	623	-	623
Net assets released from restriction:			
Satisfaction of program restrictions	4,935	(4,935)	-
TOTAL SUPPORT AND REVENUE	281,057	121,500	402,557
 INVESTMENT ACTIVITY			
Investment income, net of fees	16,733	-	16,733
Unrealized gains (losses)	52,691	-	52,691
TOTAL INVESTMENT ACTIVITY	69,424	-	69,424
 EXPENSES			
Program services	222,631	-	222,631
Supporting services:			
Management and general administration	49,476	-	49,476
Fundraising	48,962	-	48,962
TOTAL EXPENSES	321,069	-	321,069
CHANGE IN NET ASSETS	29,412	121,500	150,912
NET ASSETS - BEGINNING OF YEAR	1,004,451	4,800	1,009,251
NET ASSETS - END OF YEAR	\$ 1,033,863	\$ 126,300	\$ 1,160,163

See Independent Auditors' Report and Notes to Financial Statements.

INTERNATIONAL BOOK PROJECT, INC.
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
SUPPORT AND REVENUE			
General and shipping contributions	\$ 100,336	\$ -	\$ 100,336
Grants and capital projects	156,606	4,800	161,406
Fundraising event	3,913	-	3,913
Sales	19,634	-	19,634
Interest	697	-	697
Program fees	41,675	-	41,675
Other income	1,490	-	1,490
Net assets released from restriction:			
Satisfaction of program restrictions	1,659	(1,659)	-
TOTAL SUPPORT AND REVENUE	326,010	3,141	329,151
INVESTMENT ACTIVITY			
Investment income, net of fees	5,655	-	5,655
Unrealized gains (losses)	48,453	-	48,453
TOTAL INVESTMENT ACTIVITY	54,108	-	54,108
EXPENSES			
Program services	287,964	-	287,964
Supporting services:			
Management and general administration	48,276	-	48,276
Fundraising	53,692	-	53,692
TOTAL EXPENSES	389,932	-	389,932
CHANGE IN NET ASSETS	(9,814)	3,141	(6,673)
NET ASSETS - BEGINNING OF YEAR	1,014,265	1,659	1,015,924
NET ASSETS - END OF YEAR	\$ 1,004,451	\$ 4,800	\$ 1,009,251

See Independent Auditors' Report and Notes to Financial Statements.

INTERNATIONAL BOOK PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2024

	Program Services		Supporting Services			
			Management and General		Fundraising	
	Program	Administration	General		Total	
Salaries	\$ 86,384	\$ 20,567	\$ 30,166	\$ 137,117		
Employee benefits	17,225	4,102	6,015		27,342	
Payroll taxes	6,937	1,650	2,422		11,009	
Professional fees	3,482	3,483	-		6,965	
Other personnel expense	2,986	-	-		2,986	
Supplies/office expense	3,606	2,163	1,442		7,211	
Repairs and maintenance	-	4,443	-		4,443	
Consulting	732	731	-		1,463	
Telephone	-	-	-		-	
Postage and shipping	35,027	-	-		35,027	
Bank fees	306	-	-		306	
Utilities	4,726	1,830	1,067		7,623	
Equipment	509	509	-		1,018	
Travel	-	-	-		-	
Board expense	-	236	-		236	
Miscellaneous expense	-	1,920	-		1,920	
Insurance	3,895	3,892	-		7,787	
Depreciation	41,824	3,637	-		45,461	
Fundraising	-	-	7,612		7,612	
Bookstore expense	2,582	-	-		2,582	
Interest	-	-	-		-	
Renovation	-	-	-		-	
Security	-	313	-		313	
Book acquisition	6,854	-	-		6,854	
Marketing expense	237	-	238		475	
Program expense	1,863	-	-		1,863	
Donations	-	-	-		-	
Books as Bridges	3,456	-	-		3,456	
Total Expenses	\$ 222,631	\$ 49,476	\$ 48,962		\$ 321,069	

See Independent Auditors' Report and Notes to Financial Statements.

INTERNATIONAL BOOK PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2023

	Program Services		Supporting Services			
			Management and General			
	Program	Administration	General	Total		
Salaries	\$ 88,407	\$ 21,050	\$ 30,872	\$ 140,329		
Employee benefits	28,424	6,768	9,926	45,118		
Payroll taxes	7,734	1,840	2,701	12,275		
Professional fees	2,803	2,804	-	5,607		
Other personnel expense	4,414	-	-	4,414		
Supplies/office expense	4,020	2,412	1,608	8,040		
Repairs and maintenance	-	418	-	418		
Consulting	2,909	2,909	-	5,818		
Telephone	967	375	218	1,560		
Postage and shipping	78,817	-	-	78,817		
Bank fees	292	-	-	292		
Utilities	3,664	1,418	827	5,909		
Equipment	580	580	-	1,160		
Travel	-	-	-	-		
Board expense	-	152	-	152		
Miscellaneous expense	-	291	-	291		
Insurance	3,138	3,135	-	6,273		
Depreciation	44,061	3,831	-	47,892		
Fundraising	-	-	6,877	6,877		
Bookstore expense	3,306	-	-	3,306		
Interest	-	-	-	-		
Renovation	-	-	-	-		
Security	-	293	-	293		
Book acquisition	6,294	-	-	6,294		
Marketing expense	663	-	663	1,326		
Program expense	2,996	-	-	2,996		
Donations	-	-	-	-		
Books as Bridges	4,475	-	-	4,475		
Total Expenses	\$ 287,964	\$ 48,276	\$ 53,692	\$ 389,932		

See Independent Auditors' Report and Notes to Financial Statements.

INTERNATIONAL BOOK PROJECT, INC.
 STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
 YEARS ENDED DECEMBER 31,

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 150,912	\$ (6,673)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized (gain) loss	(52,691)	(48,453)
Depreciation	45,461	47,892
Increase (decrease) in operating liabilities		
Deferred revenue	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>143,682</u>	<u>(7,234)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(16,733)	(6,557)
Sales of investments	20,000	903
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>3,267</u>	<u>(5,654)</u>
NET CHANGE IN CASH FLOWS	146,949	(12,888)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>50,716</u>	<u>63,604</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 197,665</u>	<u>\$ 50,716</u>

SUPPLEMENTAL INFORMATION

Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See Independent Auditors' Report and Notes to Financial Statements.

INTERNATIONAL BOOK PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION

International Book Project, Inc. (the Organization) is a nonprofit organization whose purpose is to stimulate international communication and understanding and to broaden the education of people throughout the world through the distribution of literature. By providing needed quality books to the people of the developing world, the Organization seeks to promote education and literacy in developing countries and in areas of need in the USA; to broaden Americans' understanding of their neighbors; and to foster global friendships and strengthen world unity.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that revenue and support are recognized when received instead of when the service is provided, payments to vendors are recognized when paid instead of when goods or services are received, and losses resulting from collection of amounts due are recognized as the amounts due are paid instead of when the loss is believed probable and can be reasonably estimated. The cash basis is modified to capitalize property and equipment purchased, record depreciation of capitalized assets, record investments at fair market value, and record liabilities arising from receipt of borrowed cash.

Basis of Presentation

The Organization presents the accompanying financial statements in accordance with Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all cash in banks and certificates of deposit to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of assets, liabilities, and net assets. Unrealized gains and losses are included in the change in net assets. Investment income and gains are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

INTERNATIONAL BOOK PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - continued

Contributions

Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. The Organization reports donor-restricted support whose restrictions are met in the same reporting period as without donor restrictions.

Income Taxes

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 as other than a private foundation.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the IRS, generally for three years after they were filed.

Uncertain Tax Positions

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. As tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

Donated Property and Services

No amounts have been recorded in these financial statements for donated materials, equipment, or services; however, a substantial number of volunteers have donated significant amounts of their time in the fundraising campaigns and operations. Volunteer hours of 1,376 and 1,740 were documented and, for purposes of disclosure in the footnotes only, management determined that this approximated \$20,640 and \$26,100 of donated time during 2024 and 2023, respectively. In addition, for purpose of disclosure in the footnotes only, management determined shipment values of assorted books of \$1,100,340 and \$2,990,110 for 2024 and 2023, respectively.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of support, revenue, and expenses - modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The schedule of functional expenses presents the expenses by natural classification.

Fixed Assets

Property is stated at cost, if purchased, and at estimated fair value if donated. Maintenance and repairs are charged to expense when paid and expenditures for major improvements are capitalized. Depreciation expense is computed using the straight-line method using the following asset lives: Buildings - 20 years, Equipment - 3-7 years, and Building Additions - 7-10 years.

Date of Management's Review

Management has evaluated subsequent events through May 2, 2025, which is the date the financial statements were available to be issued.

INTERNATIONAL BOOK PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C - INVESTMENTS

The Organization maintains a trust portfolio held at LPL Financial. The Trustee shall use the net income from the trust for the Organization's operations as directed by the Organization. The Trustee may use as much or all of the principal of this trust as the Organization may direct.

The Trustee shall have, with respect to any property at any time held by it, the power to invest and reinvest in any one or more of the Common Trust Funds managed by the named Trustee.

Total cost and fair values at December 31, 2024 and 2023 were as follows:

As of December 31, 2024:		Unrealized		
<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Gain/(Loss)</u>	
Cash and cash equivalents	\$ 2,722	\$ 2,722	\$ -	
Equities and options	78,244	102,127	23,883	
Mutual and exchange traded funds	211,641	263,551	51,910	
Corporate bonds	<u>57,058</u>	<u>56,445</u>	<u>(613)</u>	
	<u>\$ 349,665</u>	<u>\$ 424,845</u>	<u>\$ 75,180</u>	

As of December 31, 2023:		Unrealized		
<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Gain/(Loss)</u>	
Cash and cash equivalents	\$ 1,614	\$ 1,614	\$ -	
Equities and options	111,158	129,177	18,019	
Mutual and exchange traded funds	151,061	188,178	37,117	
Corporate bonds	<u>56,473</u>	<u>56,452</u>	<u>(21)</u>	
	<u>\$ 320,306</u>	<u>\$ 375,421</u>	<u>\$ 55,115</u>	

NOTE D - ENDOWMENT FUND

Designated net assets without donor restrictions at December 31, 2024 and 2023 include an endowment fund established to support program services. Contributions to the endowment fund are not subject to donor restrictions.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide both current income for programs and growth while managing investment risk. Endowment assets are invested in a broad array of cash, stocks, ETF's, mutual funds, and other publicly tradable securities and managed by a professional asset management firm. The Organization also seeks to build endowment assets through additional contributions.

The composition of endowment net assets and the changes in endowment net assets as of December 31, 2024 and 2023 are as follows:

INTERNATIONAL BOOK PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE D - ENDOWMENT FUND – continued

<u>As of December 31, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment</u>
Beginning of year	\$ 375,421	\$ -	\$ 375,421
Contributions	-	-	-
Net appreciation (depreciation)	52,691	-	52,691
Investment income	19,685	-	19,685
Investment fees	(2,952)	-	(2,952)
Appropriated for expenditure	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
End of year	<u><u>\$ 424,845</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 424,845</u></u>

<u>As of December 31, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment</u>
Beginning of year	\$ 321,313	\$ -	\$ 321,313
Contributions	-	-	-
Net appreciation (depreciation)	48,453	-	48,453
Investment income	8,272	-	8,272
Investment fees	(2,617)	-	(2,617)
Appropriated for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u><u>\$ 375,421</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 375,421</u></u>

NOTE E - FAIR VALUE MEASUREMENTS

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described below.

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

INTERNATIONAL BOOK PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE E - FAIR VALUE MEASUREMENTS - continued

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value at December 31, 2024 and 2023:

As of December 31, 2024:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 2,722	\$ -	\$ -
Equities and options	102,127	-	-
Mutual and exchange traded funds	263,551	-	-
Corporate bonds	56,445	-	-
	<u>\$ 424,845</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2023:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 1,614	\$ -	\$ -
Equities and options	129,177	-	-
Mutual and exchange traded funds	188,178	-	-
Corporate bonds	56,452	-	-
	<u>\$ 375,421</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE F - RETIREMENT FUND

The Organization has a SIMPLE - IRA plan for all full-time employees administered by the Fidelity Management Trust Company. The Organization contributed \$1,788 and \$2,550 to the plan during 2024 and 2023, respectively.

NOTE G - CONCENTRATIONS

The Organization has a concentration of credit risk in that it periodically maintains cash deposits in a single financial institution in excess of amounts insured by the FDIC. The Organization has not experienced any losses on such accounts and does not believe that it is subject to significant credit risk related to the accounts.

Although the Organization is directly affected by economic conditions in the geographic area, management does not believe significant credit risk exists as of December 31, 2024 and 2023.

The Organization's investments are exposed to various risks, such as interest rate, credit risks and market. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term.

NOTE H - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions were held by the Organization as of December 31, 2024 for the Virginia Clark Hagan Charitable Foundation, Inc. and Room to Read totaling \$126,300 and as of December 31, 2023 for the Books in the Bluegrass and Books as Bridges in the amount of \$4,800, respectively.

The endowment and related assets are board-designated and appropriation of these funds is at the discretion of the Board of Directors. The total endowment balance as of December 31, 2024 and 2023 was \$424,845 and \$375,421, respectively.

INTERNATIONAL BOOK PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE I - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of assets, liabilities, and net assets - modified cash basis date, reduced by amounts not available for general use because of contractual restrictions within one year of the statement of assets, liabilities, and net assets - modified cash basis date.

	<u>2024</u>	<u>2023</u>
Financial assets at year-end	\$ 622,510	\$ 426,137
Less those unavailable for general expenditures within one year due to:		
Board-designated Endowment assets	(424,845)	(375,421)
Donor-restricted for Room to Read	(1,300)	-
Donor-restricted for Books in the Bluegrass	-	(3,000)
Donor-restricted for Books as Bridges	-	(1,800)
Donor-restricted by Virginia Clark Hagan Charitable Foundation, Inc.	<u>(125,000)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 71,365</u>	<u>\$ 45,916</u>

The Organization is primarily funded by contributions and fundraising. Occasionally, contributions may contain donor-imposed restrictions. As such, the Organization generally maintains sufficient cash to meet its responsibility to donor-imposed restrictions and has investments available to meet any cash deficiencies.