



Financial Statements

As of and for the years ended December 31, 2024 and 2023

Book Industry Charitable Foundation

Ann Arbor, Michigan



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Book Industry Charitable Foundation

Table of Contents

Independent Auditors' Report	Pages 1-2
Statements of Financial Position December 31, 2024 and 2023	Page 3
Statement of Activities Year ended December 31, 2024	Page 4
Statement of Activities Year ended December 31, 2023	Page 5
Statement of Functional Expenses Year ended December 31, 2024	Page 6
Statement of Functional Expenses Year ended December 31, 2023	Page 7
Statements of Cash Flows Years ended December 31, 2024 and 2023	Page 8
Notes to Financial Statements	Pages 9-17



Independent Auditors' Report

To the Board of Directors
Book Industry Charitable Foundation
Ann Arbor, Michigan

Opinion

We have audited the accompanying financial statements of Book Industry Charitable Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Book Industry Charitable Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of Book Industry Charitable Foundation 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 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 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 Book Industry Charitable Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 Book Industry Charitable Foundation'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 Book Industry Charitable Foundation'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Altruic Advisors, CPAs

Certified Public Accountants

Plymouth, Michigan
September 3, 2025

Book Industry Charitable Foundation

Statements of Financial Position

December 31	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 477,863	\$ 173,467
Investments	2,418,325	2,578,773
Pledges receivable, current	41,250	2,000
Prepaid expenses	8,721	12,738
Total current assets	<u>2,946,159</u>	<u>2,766,978</u>
Other Assets		
Pledges receivable, net of current portion	45,000	-
Security deposits	1,560	1,560
Right-of-use assets	7,026	27,065
Total other assets	<u>53,586</u>	<u>28,625</u>
Total assets	<u>\$ 2,999,745</u>	<u>\$ 2,795,603</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 24,967	\$ 31,609
Accrued payroll	14,397	10,188
Operating lease obligation, current portion	7,173	20,258
Total current liabilities	<u>46,537</u>	<u>62,055</u>
Long-Term Liabilities		
Operating lease obligation, noncurrent portion	-	7,173
Total liabilities	<u>46,537</u>	<u>69,228</u>
Net Assets		
Without donor restrictions	2,544,969	2,337,546
With donor restrictions	408,239	388,829
Total net assets	<u>2,953,208</u>	<u>2,726,375</u>
Total liabilities and net assets	<u>\$ 2,999,745</u>	<u>\$ 2,795,603</u>

Book Industry Charitable Foundation

Statement of Activities

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	\$ 1,441,461	\$ 193,470	\$ 1,634,931
In-kind support	94,157	-	94,157
Net assets released from restrictions			
Satisfaction of purpose restrictions	172,060	(172,060)	-
Expiration of time restrictions	2,000	(2,000)	-
Total operating support	1,709,678	19,410	1,729,088
Operating Expenses			
Program services	1,332,060	-	1,332,060
Supporting services			
General and administrative	216,478	-	216,478
Fundraising	220,501	-	220,501
Total operating expenses	1,769,039	-	1,769,039
Total operating support in excess (deficit) of operating expenses	(59,361)	19,410	(39,951)
Other Changes			
Net unrealized gains on investments	201,251	-	201,251
Investment income	63,345	-	63,345
Other interest income	2,188	-	2,188
Total other changes	266,784	-	266,784
Change in Net Assets	207,423	19,410	226,833
Net Assets, Beginning of Year	2,337,546	388,829	2,726,375
Net Assets, End of Year	\$ 2,544,969	\$ 408,239	\$ 2,953,208

The accompanying Notes are an integral
part of these financial statements

Book Industry Charitable Foundation

Statement of Activities

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	\$ 717,843	\$ 77,681	\$ 795,524
In-kind support	165,981	-	165,981
Net assets released from restrictions			
Satisfaction of purpose restrictions	98,084	(98,084)	-
Expiration of time restrictions	2,941	(2,941)	-
Total operating support	984,849	(23,344)	961,505
Operating Expenses			
Program services	912,669	-	912,669
Supporting services			
General and administrative	303,807	-	303,807
Fundraising	236,805	-	236,805
Total operating expenses	1,453,281	-	1,453,281
Total operating support in deficit of operating expenses	(468,432)	(23,344)	(491,776)
Other Changes			
Net unrealized gains on investments	272,450	-	272,450
Investment income	60,668	-	60,668
Other interest income	1,197	-	1,197
Total other changes	334,315	-	334,315
Change in Net Assets	(134,117)	(23,344)	(157,461)
Net Assets, Beginning of Year	2,471,663	412,173	2,883,836
Net Assets, End of Year	\$ 2,337,546	\$ 388,829	\$ 2,726,375

The accompanying Notes are an integral
part of these financial statements

Book Industry Charitable Foundation

Statement of Functional Expenses

Year ended December 31, 2024

	Program Services						Supporting Services		Total Expenses
	Financial Assistance	Scholarship Program	Disaster Recovery	Binc Tank Pilot	Mental Health Wellness	Total	General and Admin	Fundraising	
Salaries and wages	\$ 52,806	\$ 58,085	\$ 51,638	\$ 131,745	\$ 25,819	\$ 320,093	\$ 87,784	\$ 108,500	\$ 516,377
Payroll taxes	4,546	5,000	4,445	11,341	2,223	27,555	7,557	9,340	44,452
Employee benefits	4,794	5,274	4,688	11,961	2,344	29,061	7,970	9,851	46,882
Total personnel costs	62,146	68,359	60,771	155,047	30,386	376,709	103,311	127,691	607,711
Grants and assistance	395,951	84,275	148,541	120,000	25,523	774,290	-	-	774,290
Other program expenses	1,682	-	-	30,109	-	31,791	-	-	31,791
Marketing	20,423	-	20,423	-	-	40,846	20,423	20,423	81,692
Merchant and broker fees	-	-	-	-	-	-	12,377	37,131	49,508
Travel	19,005	-	-	9,028	-	28,033	9,978	9,503	47,514
Legal and professional fees	-	-	-	36,222	-	36,222	7,951	-	44,173
Website and IT expenses	-	4,389	-	17,557	-	21,946	21,947	-	43,893
Meeting expenses	6,984	-	-	2,793	-	9,777	13,968	4,190	27,935
Occupancy	4,415	-	-	-	-	4,415	8,830	4,415	17,660
Development costs	-	-	-	-	-	-	-	12,401	12,401
Licenses and fees	-	-	-	-	-	-	8,949	-	8,949
Telephone and internet	2,544	-	-	-	-	2,544	2,907	1,817	7,268
Supplies	389	-	-	389	-	778	2,723	389	3,890
Conferences	-	-	-	3,836	-	3,836	-	-	3,836
Insurance	624	-	-	249	-	873	998	624	2,495
Miscellaneous expenses	-	-	-	-	-	-	1,905	-	1,905
Other fundraising expenses	-	-	-	-	-	-	-	1,136	1,136
Postage and shipping	-	-	-	-	-	-	150	599	749
Professional development	-	-	-	-	-	-	61	182	243
Total expenses	\$ 514,163	\$ 157,023	\$ 229,735	\$ 375,230	\$ 55,909	\$1,332,060	\$ 216,478	\$ 220,501	\$1,769,039

The accompanying Notes are an integral part of these financial statements

Book Industry Charitable Foundation

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services					Supporting Services		Total Expenses
	Financial Assistance	Scholarship Program	Disaster Recovery	Bink Tank Pilot	Total	General and Admin	Fundraising	
Salaries and wages	\$ 77,613	\$ -	\$ -	\$ 131,745	\$ 209,358	\$ 119,469	\$ 129,464	\$ 458,291
Payroll taxes	7,149	-	-	12,136	19,285	11,004	11,924	42,213
Employee benefits	5,838	-	-	9,911	15,749	8,987	9,739	34,475
Total personnel costs	90,600	-	-	153,792	244,392	139,460	151,127	534,979
Grants and assistance	406,913	30,518	71,210	-	508,641	-	-	508,641
Marketing	23,644	-	23,644	-	47,288	23,644	23,644	94,576
Website and IT expenses	-	-	-	34,370	34,370	51,554	-	85,924
Legal and professional fees	-	-	-	41,941	41,941	25,706	-	67,647
Travel	13,567	-	-	5,815	19,382	9,691	9,691	38,764
Merchant and broker fees	-	-	-	-	-	8,393	25,178	33,571
Occupancy	5,767	-	-	-	5,767	11,535	5,767	23,069
Meeting expenses	4,529	-	-	-	4,529	9,057	4,529	18,115
Conferences	-	-	-	-	-	13,145	-	13,145
Development costs	-	-	-	-	-	-	11,604	11,604
Telephone and internet	2,587	-	-	-	2,587	2,957	1,848	7,392
Licenses and fees	-	-	-	-	-	3,300	-	3,300
Supplies	149	-	-	-	149	2,539	299	2,987
Other program expenses	2,980	-	-	-	2,980	-	-	2,980
Insurance	643	-	-	-	643	1,287	644	2,574
Other fundraising expenses	-	-	-	-	-	-	1,362	1,362
Miscellaneous expenses	-	-	-	-	-	1,231	-	1,231
Postage and shipping	-	-	-	-	-	190	759	949
Professional development	-	-	-	-	-	118	353	471
Total expenses	<u>\$ 551,379</u>	<u>\$ 30,518</u>	<u>\$ 94,854</u>	<u>\$ 235,918</u>	<u>\$ 912,669</u>	<u>\$ 303,807</u>	<u>\$ 236,805</u>	<u>\$ 1,453,281</u>

The accompanying Notes are an integral part of these financial statements

Book Industry Charitable Foundation

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ 226,833	\$ (247,539)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Net unrealized losses on investments	(201,251)	(272,450)
Amortization of net present value discount	-	(59)
Non cash change due to lease amortization	(219)	220
Increase (decrease) from changes in assets and liabilities		
Pledges receivable	(84,250)	3,000
Prepaid expenses	4,017	(7,207)
Accounts payable	(6,642)	2,154
Accrued payroll	4,209	2,417
Net cash used by operating activities	<u>(57,303)</u>	<u>(519,464)</u>
Cash Flows From Investing Activities		
Net sales of investments	<u>361,699</u>	<u>328,621</u>
Net cash provided by investing activities	<u>361,699</u>	<u>328,621</u>
Net Increase (Decrease) in Cash and Cash Equivalents	304,396	(190,843)
Cash and Cash Equivalents, Beginning of Year	<u>173,467</u>	<u>364,310</u>
Cash and Cash Equivalents, End of Year	<u>\$ 477,863</u>	<u>\$ 173,467</u>

The accompanying Notes are an integral
part of these financial statements

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Book Industry Charitable Foundation ("the Foundation") is a Michigan non-profit corporation that was established in 1996 whose mission is to strengthen the bookselling community through charitable programs that support employees and their families. The Foundation receives a majority of its support from contributions and grants.

Description of Program Services:

Financial Assistance Program. The Foundation established this program in February 1996 to provide short-term financial assistance to individuals who have demonstrated financial need due to severe hardship and/or emergency circumstances. In addition to immediate financial assistance, the Foundation also makes available other tools to help affected employees deal with ongoing financial challenges.

Professional Development Program. The Foundation believes that the future of healthy bookstores and comic stores lies in the continuing education of the owners and employees. To encourage further business development and career growth, the Foundation offers scholarships for several professional industry events and certificate programs. The scholarships are merit and need-based.

Disaster Recovery. The Foundation provides general support to charitable organizations that are meeting the immediate needs of communities affected by widespread disasters, such as hurricanes, floods, fires, and public health emergencies.

Binc Tank Pilot. This three-year pilot program is designed as a business incubator focused on helping entrepreneurs open bookstores in underserved markets.

Mental Health Wellness. Designed to provide access to professional mental health services for eligible booksellers and comic retailers, the program connects individuals in the bookselling community with licensed therapists through a telehealth partnership. Individuals, couples, and teen therapy services are provided. The Foundation also provides emergency on-site therapy for groups involved in traumatic events such as shootings, burglaries, and staff suicides.

Description of Supporting Services:

General and Administrative. Includes the functions necessary to provide support to the Foundation's program activities. General and administrative activities include those that provide governance (board of directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising. Provides the structure necessary to encourage and secure private financial support from individuals, foundations, governments, and corporations, including donations and pledges received during special events. The Foundation's special event revenue is generated through events held at conferences and an online auction.

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting. The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents. The Foundation considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments. The Foundation's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation's management determines the valuation policies utilizing information provided by the investment advisors and custodians. See *Fair Value Measurements*.

Unrealized gains and losses, if any, are calculated since the most recent financial statement reporting date. In the year that an investment is sold, unrealized gains and losses are calculated from the most recent financial statement reporting date through the date of sale. Therefore, realized gains and losses are generally not reported. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Foundation reports using fair value measurements, which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides 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 are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">- Quoted prices for similar assets or liabilities in active markets;- Quoted prices for identical or similar assets or liabilities in inactive markets;- Inputs other than quoted prices that are observable for the asset or liability;- Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements (continued).

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value.

Exchange Traded Funds. The Foundation values exchange traded funds with readily determinable market values at fair value as determined by quoted market prices on national security exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2024 and 2023.

In general, investments are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Pledges Receivable. Pledges receivable are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional. Pledges receivable are stated net of allowances for uncollectible accounts. Management provides for probable uncollectible accounts through a provision for bad debt expenses and an adjustment to the allowance account based on its assessment of the current status of individual pledges. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to the receivable. Management believes that all pledges receivable are fully collectible at December 31, 2024 and 2023.

Property and Equipment. It is the Foundation's policy to capitalize property and equipment at cost for purchases over \$1,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. As of December 31, 2024 and 2023, the Foundation did not have any property and equipment.

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Right-of-Use Assets and Leases. The Foundation determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") lease assets, current portion of lease obligations, and long term lease obligations on the Foundation's statements of financial position. ROU lease assets represent the Foundation's right to use an underlying asset for the lease term, and lease obligations represent the Foundation's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. The Foundation's lease does not provide an implicit rate, therefore the Foundation uses a risk-free borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain the Foundation will exercise that option.

Basis of Net Asset Presentation. The Foundation reports information regarding its financial position and activities according to two classes of net assets, net assets without donor restrictions and net assets with donor restrictions:

Without Donor Restrictions. Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

Revenue Recognition. Revenues are recorded as the services are rendered. Prepaid amounts are recorded when payments are made. As the services are rendered, revenue is then recorded. No revenue was recognized for the years ended December 31, 2024 and 2023.

Contributions and Grants. Contributions and grants are recognized when the amounts are received. Donor-restricted contributions and grants are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts are recognized.

Contributed Goods and Services. The Foundation records the fair value of contributed services in the financial statements if services received either (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition. The Foundation received donated goods and services for the years ended December 31, 2024 and 2023 (see Note 6).

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Marketing and Advertising. The Foundation expenses marketing and advertising costs, including donated marketing and advertising, as incurred. Total marketing and advertising expense for the years ended December 31, 2024 and 2023 was \$81,692 and \$94,576, respectively.

Income Taxes. The Foundation is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Reclassifications. Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation without affecting net assets as of December 31, 2023.

Subsequent Events. The Foundation evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 3, 2025, the date at which the financial statements were available for release.

Note 2 – Pledges Receivable

Pledges receivable are expected to be collected as follows at December 31:

	2024	2023
Due within one year	\$ 41,250	\$ 2,000
Due within two to three years	45,000	-
Total pledges receivable	<u>\$ 86,250</u>	<u>\$ 2,000</u>

Pledges receivable due in more than one year are recognized at fair value using present value techniques. Because the net present value on noncurrent pledges receivable is immaterial, management has elected not to record the value of the discount as of December 31, 2024.

Note 3 – Fair Value Measurements

The following table summarizes the Foundation's fair value of assets measured on a recurring basis, by fair value hierarchy, as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 38,151	\$ -	\$ -	\$ 38,151
Exchange traded funds	2,380,174	-	-	2,380,174
Total assets at fair value	<u>\$ 2,418,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,418,325</u>

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 3 – Fair Value Measurements (continued)

The following table summarizes the Foundation's fair value of assets and liabilities measured on a recurring basis, by fair value hierarchy, as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 90,078	\$ -	\$ -	\$ 90,078
Exchange traded funds	2,488,695	-	-	2,488,695
Total assets at fair value	<u>\$ 2,578,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,578,773</u>

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Foundation evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2024 and 2023, there were no significant transfers in or out of fair value levels.

Net investment earnings consisted of the following for the years ended December 31:

	2024	2023
Net unrealized gains on investments	\$ 201,251	\$ 272,450
Interest and dividends	63,345	60,668
	<u>\$ 264,596</u>	<u>\$ 333,118</u>

Note 4 – Right-of-Use Asset

Right-of-use asset consists of the following at December 31:

	2024	2023
Right-of-use asset under operating lease (office space)	\$ 57,322	\$ 57,322
Less accumulated amortization	(50,296)	(30,257)
Net right-of-use asset	<u>\$ 7,026</u>	<u>\$ 27,065</u>

Amortization for the years ended December 31, 2024 and 2023 was \$20,039 and \$18,599, respectively.

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 5 – Net Assets with Donor Restrictions

The following summarizes the balances in net assets with donor restrictions at December 31, 2024:

	January 1, 2024	Additions	Releases	December 31, 2024
<i>Purpose restrictions:</i>				
Comic Book United Fund	\$ 281,298	\$ -	\$ 88,180	\$ 193,118
Susan Kamil Scholarship	50,000	75,000	50,800	74,200
Carla Gray Scholarship	48,388	2,127	2,080	48,435
Binc Tank Pilot	-	30,000	30,000	-
George Keating Fund	7,143	93	1,000	6,236
<i>Time restrictions:</i>				
Pledges receivable	2,000	86,250	2,000	86,250
	<u>\$ 388,829</u>	<u>\$ 193,470</u>	<u>\$ 174,060</u>	<u>\$ 408,239</u>

The following summarizes the balances in net assets with donor restrictions at December 31, 2023:

	January 1, 2023	Additions	Releases	December 31, 2023
<i>Purpose restrictions:</i>				
Comic Book United Fund	\$ 344,279	\$ 54	\$ 63,035	\$ 281,298
Susan Kamil Scholarship		53,500	3,500	50,000
Carla Gray Scholarship	54,169	932	6,713	48,388
Binc Tank Pilot	-	23,086	23,086	-
George Keating Fund	8,784	109	1,750	7,143
<i>Time restrictions:</i>				
Pledges receivable	4,941	-	2,941	2,000
	<u>\$ 412,173</u>	<u>\$ 77,681</u>	<u>\$ 101,025</u>	<u>\$ 388,829</u>

Note 6 – In-Kind Contributions

The Foundation received the following in-kind contributions during the years ended December 31:

	2024	2023	Usage
Donated advertising	\$ 76,552	\$ 90,361	Program, G&A, Fundraising
Donated software	15,230	66,120	General & Administrative
Donated facilities use	-	9,500	General & Administrative
Donated services	2,375	-	Programming
	<u>\$ 94,157</u>	<u>\$ 165,981</u>	

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 6 – In-Kind Contributions (continued)

The Foundation received donated advertising that was valued using estimated pricing data of similar services under a 'like-kind' methodology, considering the utility of the services at the time of the contribution. Donated software was valued using estimated average US prices of identical or similar products using pricing data of similar products under a 'like-kind' methodology, considering the utility of the donated items at the time of the contribution. The Foundation received donated services that were valued using estimated average hourly wage for identical services using pricing data of similar services under a "like-kind" methodology, considering the utility of the services at the time of the contribution. The Foundation does not sell any in-kind contributions. No in-kind contributions were restricted.

Note 7 – Commitments

Operating lease obligation consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
Operating lease agreement for office space; current monthly payment of \$1,810; 36-month lease term expiring April 2025	<u>\$ 7,173</u>	<u>\$ 27,431</u>
Total	7,173	27,431
Less current portion	<u>(7,173)</u>	<u>(20,258)</u>
Operating lease obligation, net of current portion, net of unamortized present value discount	<u>\$ -</u>	<u>\$ 7,173</u>
Weighted average discount rate at December 31	7.50%	7.50%
Weighted average remaining lease term at December 31	0.33 years	1.33 years

Future annual minimum lease payments under operating leases are as follows at December 31, 2024:

Year ended December 31	Lease obligations	Discount	Net of unamortized discount
2025	<u>\$ 7,240</u>	<u>\$ (67)</u>	<u>\$ 7,173</u>

Note 8 – Retirement Plan

The Foundation is a plan sponsor for a 401(k) plan for certain employees. The plan allows the Foundation to make discretionary matching contributions. During 2024 and 2023, the Foundation elected to make discretionary matching contributions of up to 2 percent of eligible compensation. Contributions to the plan totaled \$9,747 and \$7,691 for the years ended December 31, 2024 and 2023, respectively.

Book Industry Charitable Foundation

Notes to Financial Statements

December 31, 2024 and 2023

Note 9 – Liquidity and Availability of Resources

The Foundation receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a goal to maintain current financial assets less current liabilities at a minimum of three months budgeted operating expenses. To achieve this target, the Foundation forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2024 and 2023, the level of liquidity and reserves was managed within the policy requirements.

The Foundation's financial assets available for general expenditures within one year are as follows at December 31:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 477,863	\$ 173,467
Investments	2,418,325	2,578,773
Pledges receivable	86,250	2,000
Security deposits	1,560	1,560
	<u>2,983,998</u>	<u>2,755,800</u>
Less amounts not available to be used within one year:		
Pledges receivable for long-term purposes	(45,000)	-
Net assets with donor restrictions	<u>(408,239)</u>	<u>(388,829)</u>
	<u>(453,239)</u>	<u>(388,829)</u>
Financial assets available for general expenditures within one year	<u>\$ 2,530,759</u>	<u>\$ 2,366,971</u>

Note 10 – Concentrations of Credit Risk

Major Donors. During the year ended December 31, 2023, one major donor of the Foundation comprised 21% of total operating support. There were no major donors during the year ended December 31, 2024.

Bank Deposits. The Foundation maintained cash balances in excess of federally insured limits at certain times during the years ended December 31, 2024 and 2023.