Arialbeek Publishing House, LLC

2023 Annual Financial Report

Audited-Format Financial Statements & Management Discussion
For the Fiscal Year Ended December 31, 2023

Entity Type	Limited Liability Company (Delaware) — S-Corporation Election
EIN	XX-XXXXXXX (on file)
Principal Office	Grand Rapids, Michigan, USA
Contact	info@arialbeek.com • wa.me/16165169370
Fiscal Year	January 1, 2023 – December 31, 2023
Accounting Method	Accrual basis, in accordance with U.S. GAAP
IRS Filing Reference	Form 1120-S, Schedule K-1, Schedule L, Schedule M-1/M-2
Report Issued	March 18, 2024

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1. Message from the President

Dr. Adier Mach Deng — Founder & President

Dear Members, Readers, and Partners,

2023 was a year of consolidation and expansion for Arialbeek Publishing House. Total revenue reached $307,640, a 55.0% increase over the founding year, driven by strong catalog growth (two new titles) and materially expanded institutional sales through pilot Young Scholars partnerships.

Net operating income of $46,410 more than doubled from 2022, and gross margin improved to 64.0% as our second-year print runs achieved better unit economics and the transition to a hybrid POD-plus-warehouse fulfillment model began to yield savings.

Beyond the financials, 2023 marked the formal seating of the Editorial Ward Jury Panel — the body that would go on to select the inaugural South Sudan's Best Writer's Award laureates in 2024. To our members, readers, and the growing community of writers submitting manuscripts: thank you for a year of steady, purposeful growth.

With gratitude,

Dr. Adier Mach Deng
Founder & President, Arialbeek Publishing House, LLC

2. Executive Overview

Financial Highlights — Year Ended December 31, 2023

Metric	FY 2023	FY 2022	% Change
Total Revenue	$307,640	$198,420	+55.0%
Gross Profit	$196,880	$121,030	+62.7%
Gross Margin	64.0%	61.0%	+3.0 pt
Operating Expenses	$150,470	$102,790	+46.4%
Net Operating Income	$46,410	$18,240	+154.4%
Net Income (Pre-tax)	$41,220	$14,520	+183.9%
Units Sold (all titles)	13,905	8,420	+65.1%
Titles in Active Catalog	7	5	+2

Strategic Context

Arialbeek Publishing House, LLC continues to operate as a Delaware limited liability company with an active S-Corporation tax election. In 2023 the Company expanded its active catalog from five to seven titles, extended distribution through Ingram Spark, and formalized the Editorial Ward Jury Panel, a three-member volunteer body responsible for the annual selection of South Sudan's Best Writer's Award.

Revenue diversification improved: direct-to-consumer sales reached 34% (from 48%), institutional sales grew to 17% (from 9%), and international wholesale contributed 12%. Amazon KDP moderated to 22% as our own channels matured, and the remaining 15% derived from Ingram Spark and ancillary merchandise.

Operational Milestones

• Launched two new titles (A Diaspora Reader; Young Scholars Workbook 1st Edition).

• Seated the three-member Editorial Ward Jury Panel.

• Expanded Young Scholars pilot from 2 to 6 partner schools across 4 countries.

• Onboarded Ingram Spark for global print-on-demand distribution.

• Migrated accounting to QuickBooks Online Plus and adopted quarterly bookkeeping review.

3. Publishing Operations — Title-by-Title Detail

Revenue, unit sales, and direct cost of goods sold (COGS) by title for FY 2023. All figures in USD.

Title	Units	Avg Price	Revenue	COGS	Gross Profit
Sons of the Nile	1,980	$21.00	$41,580	$14,969	$26,611
Twic East: A People's History	1,820	$25.50	$46,410	$16,708	$29,702
Bright Stars of South Sudan	1,690	$19.50	$32,955	$11,864	$21,091
The Stork and the River	1,450	$18.00	$26,100	$9,396	$16,704
Voices from Bor	1,385	$19.50	$27,008	$9,723	$17,285
A Diaspora Reader	1,290	$22.50	$29,025	$10,449	$18,576
Young Scholars Workbook (Ed. 2023)	1,290	$14.00	$18,060	$6,322	$11,738
The Dinka Ghost Marriage (soft launch Q4)	3,000	$24.95	$74,850	$26,948	$47,902
Totals	**13,905**	**—**	**$295,988**	**$106,379**	**$189,609**

Reconciliation: Title-level revenue of $295,988 differs from total revenue of $307,640 by $11,652, representing rounded royalty adjustments and de minimis merchandise sales. COGS above reflects unit-level printing, freight-in, and per-unit royalty; overhead-allocated production costs are reported separately in Section 5.

Channel Mix (Revenue)

Channel	Revenue	% of Total
Direct-to-Consumer (arialbeek.com)	$104,598	34.0%
Institutional / Schools / Libraries	$52,299	17.0%
International Wholesale	$36,917	12.0%
Amazon KDP	$67,681	22.0%
Ingram Spark & Merchandise	$46,145	15.0%

4. Statement of Income (Profit & Loss)

For the Year Ended December 31, 2023

Line Item	FY 2023	FY 2022
REVENUE		
Book Sales — Print	$268,940	
Book Sales — eBook	$26,900	
Merchandise & Accessories	$3,200	
Speaking, Licensing & Royalties Received	$8,600	
Total Revenue	**$307,640**	**$198,420**
COST OF GOODS SOLD		
Printing & Manufacturing	$74,830	
Freight-In & Fulfillment	$21,410	
Author Royalties Paid	$14,520	
Total COGS	**$110,760**	**$77,390**
GROSS PROFIT	**$196,880**	**$121,030**
OPERATING EXPENSES		
Editorial & Production (see §5)	$48,900	
Marketing & Promotion	$32,150	
Salaries, Wages & Contractors	$38,600	
Occupancy & Overhead (see §6)	$18,940	
Technology & Software	$6,220	
Professional Fees (legal, accounting)	$4,100	
Depreciation & Amortization	$1,560	
Total Operating Expenses	**$150,470**	**$102,790**
NET OPERATING INCOME	**$46,410**	**$18,240**
Interest Income	$310	
Interest Expense	($5,500)	
NET INCOME BEFORE TAX	**$41,220**	**$14,520**
Pass-through to Members (S-Corp)	$41,220	

Line Item	FY 2023	FY 2022
NET INCOME	**$41,220**	**$14,520**

5. Detailed Expense Report

Editorial & Production

Sub-Category	Amount
Developmental & Copy Editing (contractors)	$16,800
Proofreading	$5,100
Cover Design & Illustration	$11,200
Interior Layout & Typesetting	$7,100
ISBN, Cataloging & Registration	$1,080
Manuscript Review — Jury Panel Honoraria	$4,200
Sample Prints, Proofs & Reviewer Copies	$3,420
Total	**$48,900**

Marketing & Promotion

Sub-Category	Amount
Digital Advertising (Meta, Google)	$14,200
Book Tour Travel & Events	$7,100
Public Relations & Media Outreach	$3,600
Content Production (video, photo)	$3,200
Trade Shows & Book Fairs	$2,900
Promotional Merchandise	$1,150
Total	**$32,150**

Salaries, Wages & Contractors

Role	Type	Amount
Founder / President (reasonable comp., S-Corp)	W-2 Salary	$22,000
Managing Editor	Part-time W-2	$9,200
Program Coordinator — Young Scholars	1099 Contractor	$3,800
Social Media & Community Manager	1099 Contractor	$2,400
Payroll Taxes (Employer share)	—	$1,200

Role	Type	Amount
Total		**$38,600**

IRS Note: Contractor payments of $600 or more are documented on Form 1099-NEC; W-2 wages are reported on Form W-3/W-2 filings. Reasonable compensation for the S-Corporation shareholder-officer complies with IRS guidance under Rev. Rul. 74-44.

6. Overhead & Operating Cost Analysis

Occupancy & Facility Overhead

Category	Monthly Avg	Annual
Office / Studio Rent (Grand Rapids, MI)	$850	$10,200
Utilities (electric, gas, water)	$170	$2,040
Internet & Phone	$130	$1,560
Renters & Business Insurance	$80	$960
Warehousing / Inventory Storage	$155	$1,860
Repairs & Maintenance	$40	$480
Office Supplies & Consumables	$157	$1,840
Total Occupancy & Overhead		**$18,940**

Technology & Software

Vendor / Service	Purpose	Annual
Web platform (self-hosted + Supabase pilot)	Web platform	$2,100
Resend	Transactional email	$480
Adobe Creative Cloud	Design & layout	$720
Google Workspace	Email, docs, storage	$540
QuickBooks Online (Plus)	Accounting	$900
Zoom, Slack, misc. SaaS	Collaboration	$720
Domain, SSL, DNS	arialbeek.com	$220
Mailchimp / analytics	Marketing tools	$540
Total Technology		**$6,220**

Professional Fees

Service	Provider Type	Annual
Tax Preparation (Form 1120-S, K-1s)	CPA	$1,800
Bookkeeping Review (quarterly)	CPA / EA	$1,200
Legal — Contracts & IP	Attorney	$700

Service	Provider Type	Annual
Registered Agent & State Filings	Corporate services	$400
Total Professional Fees		**$4,100**

7. Statement of Financial Position (Balance Sheet)

As of December 31, 2023

Line Item	FY 2023	FY 2022
ASSETS		
Current Assets		
Cash & Cash Equivalents	$54,860	$31,240
Accounts Receivable (net)	$12,220	$5,240
Inventory — Finished Books	$28,940	$22,140
Prepaid Expenses	$2,500	$1,500
Total Current Assets	**$98,520**	**$60,120**
Non-Current Assets		
Equipment (net of depreciation)	$7,490	$5,800
Capitalized Cover Art & Master Files	$6,200	$3,200
Total Non-Current Assets	**$13,690**	**$9,000**
TOTAL ASSETS	**$112,210**	**$69,120**
LIABILITIES		
Current Liabilities		
Accounts Payable	$9,800	$6,420
Author Royalties Payable	$4,900	$2,900
Accrued Wages & Taxes	$2,340	$1,450
Sales Tax Payable	$1,650	$890
Current Portion of Long-Term Debt	$6,000	$6,000
Total Current Liabilities	**$24,690**	**$17,660**
Long-Term Debt (SBA microloan)	**$40,000**	**$48,000**
TOTAL LIABILITIES	**$64,690**	**$65,660**
MEMBERS' EQUITY		
Capital Contributions	$25,000	$25,000
Retained Earnings	$22,520	($21,540)
Total Members' Equity	**$47,520**	**$3,460**

Line Item	FY 2023	FY 2022
TOTAL LIABILITIES & EQUITY	**$112,210**	**$69,120**

8. Statement of Cash Flows

For the Year Ended December 31, 2023 • Indirect method

Line Item	FY 2023
OPERATING ACTIVITIES	
Net Income	$41,220
Depreciation & Amortization	$1,560
(Increase)/Decrease in Accounts Receivable	($6,980)
(Increase)/Decrease in Inventory	($6,800)
(Increase)/Decrease in Prepaid Expenses	($1,000)
Increase in Accounts Payable	$3,380
Increase in Royalties Payable	$2,000
Increase in Accrued Wages & Taxes	$890
Increase in Sales Tax Payable	$760
Net Cash from Operating Activities	**$35,030**
INVESTING ACTIVITIES	
Purchase of Equipment	($3,250)
Capitalized Cover Art & Master Files	($3,000)
Net Cash used in Investing Activities	**($6,250)**
FINANCING ACTIVITIES	
Repayment of Long-Term Debt	($6,000)
Distributions to Members	($6,180)
Net Cash from/(used in) Financing Activities	**($12,180)**
NET INCREASE/(DECREASE) IN CASH	**$16,600**
Cash — Beginning of Year	**$31,240**
Cash — End of Year	**$47,840**

9. Statement of Changes in Members' Equity

	Capital	Retained Earnings	Total
Balance, January 1, 2023	$25,000	$8,160	$33,160
Net Income	—	$41,220	$41,220
Distributions to Members	—	($6,180)	($6,180)
Members' Draws — Owner Health Reimb.	—	($680)	($680)
Balance, December 31, 2023	**$25,000**	**$22,520**	**$47,520**

10. Reconciliation to IRS Form 1120-S (Schedule M-1)

Reconciliation of Income (Loss) per Books with Income (Loss) per Return

	Amount
Net income per books	$41,220
Add: Federal income tax (S-Corp — none at entity level)	$0
Add: Expenses recorded on books not deducted on return (50% of meals $720 × 50%)	$360
Subtotal	**$41,580**
Less: Income recorded on books not on return	$0
Less: Deductions on return not charged against book income	$0
Income (loss) per return (Form 1120-S, Line 21)	**$41,580**

11. Notes to the Financial Statements

Note 1 — Organization & Nature of Business

Arialbeek Publishing House, LLC (the 'Company') is a Delaware limited liability company that has elected S-Corporation tax status effective January 1, 2022. The Company publishes literary, educational, and cultural works with a focus on the heritage of South Sudan, distributed through direct-to-consumer, institutional, and international wholesale channels.

Note 2 — Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in conformity with U.S. GAAP. Revenue is recognized upon transfer of control (typically shipment for print, download for eBooks). Inventory is stated at the lower of cost (FIFO) or net realizable value. Property and equipment are depreciated on a straight-line basis over 3–7 years. Capitalized cover art and master files are amortized over 5 years.

Note 3 — Cash & Cash Equivalents

Cash consists of demand deposits held at FDIC-insured institutions. At December 31, 2023, no balance exceeded FDIC coverage limits.

Note 4 — Accounts Receivable

Receivables consist principally of amounts due from institutional customers and wholesale distributors, net of an allowance for doubtful accounts of $620 (2022: $240). No single customer represents more than 10% of receivables.

Note 5 — Inventory

Inventory of $28,940 comprises finished books held at the Company's Grand Rapids facility ($18,200) and at Ingram Spark warehouse locations ($10,740). No reserve for obsolescence was required at year-end.

Note 6 — Long-Term Debt

The Company holds an SBA microloan originated in 2022 with an original principal of $60,000, bearing interest at 8.5% per annum, amortizing over 10 years. Principal outstanding at December 31, 2023 is $46,000, of which $6,000 is classified as current. Interest expense for the year was $5,500.

Note 7 — Income Taxes

As an S-Corporation, the Company is generally not subject to federal income tax at the entity level; taxable income passes through to members on Schedule K-1. The Company files IRS Form 1120-S and applicable state returns. There are no uncertain tax positions requiring disclosure under ASC 740.

Note 8 — Related-Party Transactions

The founder and sole voting member, Dr. Adier Mach Deng, received W-2 compensation of $22,000 (deemed reasonable per Rev. Rul. 74-44), member distributions of $6,180, and reimbursement of $680 for accountable-plan business expenses.

Note 9 — Commitments & Contingencies

The Company leases office space under a month-to-month arrangement. There are no material pending legal proceedings. Author royalty commitments are recorded as earned and paid quarterly.

Note 10 — Subsequent Events

Management has evaluated subsequent events through March 18, 2024, the date these statements were issued, and identified no matters requiring adjustment or disclosure other than the full commercial launch of The Dinka Ghost Marriage in Q1 2024 and the announcement of the inaugural South Sudan's Best Writer's Award.

12. Management Certification & Disclosures

The undersigned, as President and principal financial officer of Arialbeek Publishing House, LLC, certifies that the financial statements presented herein for the fiscal year ended December 31, 2023 have been prepared in accordance with U.S. Generally Accepted Accounting Principles, are consistent with the Company's books and records, and fairly present, in all material respects, the financial position, results of operations, and cash flows of the Company. These statements are intended to accompany and reconcile to the Company's IRS Form 1120-S filing for tax year 2023.

_____ _____

Dr. Adier Mach Deng Date

Founder & President

Disclosures

• These statements are unaudited and prepared by management. An independent CPA has performed a compilation-level engagement; no assurance is expressed.

• Illustrative figures — not to be relied upon as the Company's actual filed return without verification against source books and records.

• All amounts in U.S. dollars, rounded to the nearest dollar; totals may reflect rounding differences.

• IRS references (Form 1120-S, Schedules K-1/L/M-1/M-2, Form 1099-NEC, Rev. Rul. 74-44) provided for orientation; consult a qualified tax professional.