

LUBUTO LIBRARY PARTNERS
REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2024

LUBUTO LIBRARY PARTNERS
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lubuto Library Partners
Washington, DC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lubuto Library Partners (LLP) (a District of Columbia not-for-profit organization) which comprises the statements of financial position as of December 31, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lubuto Library Partners as of December 31, 2024, and the changes in net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the auditors' Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of LLP 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accounting principles, 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 LLP's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibility 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 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, individually or in the aggregate, they could reasonable be expected to influence the economic decisions of users made on the basis of these 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 LLP'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 LLP'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.

Washington, DC
October 5, 2025

Nanette K Miller CPA PC

LUBUTO LIBRARY PARTNERS
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
ASSETS:		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 169,739	\$ 304,095
<i>Other Assets:</i>		
Property and equipment, net	36,666	27,541
TOTAL ASSETS	\$ 206,405	\$ 331,636
 LIABILITIES AND NET ASSETS:		
<i>Current Liabilities:</i>		
Accounts payable and accrued expenses	\$ 1,295	\$ 4,245
Refundable advances	28,117	125,051
Total current liabilities	29,412	129,296
TOTAL LIABILITIES	\$ 29,412	\$ 129,296
 NET ASSETS:		
Net assets without donor restrictions	\$ 172,735	\$ 198,082
Net assets with donor restrictions	4,258	4,258
TOTAL NET ASSETS	176,993	202,340
TOTAL LIABILITIES AND NET ASSETS	\$ 206,405	\$ 331,636

See notes to financial statements.

LUBUTO LIBRARY PARTNERS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	2023 Total
Support, revenue and gains:				
Government grants	\$ 557,703	\$ 66,587	\$ 624,290	\$ 275,600
Grants and contributions	207,317	22,685	230,002	248,030
In-kind contributions	112,698	-	112,698	114,861
Other revenue	396	-	396	3,282
Interest income	3,032	-	3,032	706
	<u>881,146</u>	<u>89,272</u>	<u>970,418</u>	<u>642,479</u>
Released from program restrictions	<u>89,272</u>	<u>(89,272)</u>	<u>-</u>	<u>-</u>
Expenses and losses:				
Program expenses	<u>950,132</u>	<u>-</u>	<u>950,132</u>	<u>613,857</u>
General and administrative	35,169	-	35,169	64,072
Development and fund-raising	<u>19,250</u>	<u>-</u>	<u>19,250</u>	<u>5,506</u>
	<u>54,419</u>	<u>-</u>	<u>54,419</u>	<u>69,578</u>
Total expenses	<u>1,004,551</u>	<u>-</u>	<u>1,004,551</u>	<u>683,435</u>
<i>Change in net assets before other items</i>	(34,133)	-	(34,133)	(40,956)
Other Items:				
Exchange rate gain (loss)	8,786	-	8,786	12,261
Net assets, beginning	198,082	4,258	202,340	231,035
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, ending	<u><u>\$ 172,735</u></u>	<u><u>\$ 4,258</u></u>	<u><u>\$ 176,994</u></u>	<u><u>\$ 202,340</u></u>

**LUBUTO LIBRARY PARTNERS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

	Supporting Services					2023
	Total Program Services	Administrative	Fundraising	Total Support Services	Total Expenses	
Construction, professional fees and materials	\$ 625,674	\$ -	\$ -	\$ -	\$ 625,674	\$ 298,872
Salaries, fringe benefits and payroll taxes	190,395	1,104	-	1,104	191,499	174,752
Professional fees and services	78,940	31,232	18,834	50,066	129,006	135,065
Miscellaneous	21,509	1,414	103	1,517	23,026	16,269
Depreciation	19,120	-	-	-	19,120	16,899
Bad debt	-	-	-	-	-	12,171
Office supplies and cleaning	2,939	-	-	-	2,939	11,633
Telecommunications	3,255	95	-	95	3,350	3,017
Bank charges	1,327	715	113	828	2,155	2,830
Occupancy	1,690	-	-	-	1,690	4,834
School uniforms, tuition, uniforms and other	1,663	-	-	-	1,663	1,666
Subscriptions/dues/registration/license	806	609	200	809	1,615	1,329
Transport and travel	1,425	-	-	-	1,425	3,182
Program development	786	-	-	-	786	821
Security	603	-	-	-	603	95
Total Expenses	\$ 950,132	\$ 35,169	\$ 19,250	\$ 54,419	\$ 1,004,551	\$ 683,435

See notes to financial statements.

**LUBUTO LIBRARY PARTNERS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)**

	2024	2023
Change in net assets	\$ (34,133)	\$ (40,956)
Cash provided by operating activities:		
<i>Adjustments to reconcile change in net asset to net cash provided by operating activities:</i>		
Exchange gain (loss)	8,786	12,261
Depreciation expense	19,120	16,899
Gain on sale of fixed assets	-	(2,862)
<i>Changes in operating assets and liabilities:</i>		
Decrease (increase) in assets:		
Grants and contributions receivable	-	19,191
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,950)	(775)
Refundable advances	(113,657)	80,426
Net cash provided by operating activities	(122,834)	84,184
Cash flows from (used in) investing activities		
Purchase of fixed assets	(11,522)	(12,866)
Sale/disposals of property and equipment	-	37,862
	(11,522)	24,996
Net increase (decrease) in cash and cash equivalents	(134,356)	109,180
Cash and cash equivalents, beginning of year	304,095	194,915
Cash and cash equivalents, end of year	\$ 169,739	\$ 304,095

There were no non-cash investing or financing activities for the years ended December 31, 2024.

LUBUTO LIBRARY PARTNERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024

1. ORGANIZATION

Organization -

Lubuto Library Partners ("LLP") is a non-profit organization, incorporated in the District of Columbia on January 25, 2005, under the name of Lubuto Library Project, Inc., but is doing business as LLP. A branch in the Republic of Zambia was established on September 21, 2005, in cooperation with the local Zambian government.

LLP is an innovative development organization that builds capacity libraries in Africa to create opportunities for equitable education and poverty reduction. LLP's mission is to empower African children and youth and to help them develop the knowledge and skills to reconnect with their culture and communicate fully in society.

LLP constructs enduring, indigenously inspired open-access libraries stocked with comprehensive collections of well-chosen books and appropriate technology. These libraries are the center for LLP's programs, which offer education, psychosocial support and self-expression through reading, music, art, drama, computers, mentoring, and other activities.

A cornerstone of LLP's approach is that LLP does not own the libraries or collections. Instead, LLP works with host organizations at each library, who are the libraries' owners and stewards and who are responsible for staffing their libraries. In return, LLP continues to expand the collections, to introduce new services and outreach activities, and to offer ongoing staff, volunteer, and library professional training. LLP is currently operating an urban and rural model library on traditional and government-owned property, respectively.

Program Services -

LLP achieves its mission through constructing libraries, providing comprehensive library services, and providing educational programs aimed at improving the welfare and health of children and teens in the communities.

LUBUTO LIBRARY PARTNERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of LLP have been prepared on the accrual basis of accounting, in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities.

Basis of presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 958 accounting for contributions received and contributions made. Contributions are recognized as revenue when they are received or unconditionally pledged.

FASB ASC Topic 958 and Accounting Standards Update (ASU 2016-14) eliminates the utilization of fund accounting for financial reporting purposes and requires that net assets be classified as (1) net assets without donor restrictions and (2) net assets with donor restrictions, depending on limitations placed on the net assets by donors. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services.

Net assets with donor restrictions - Net assets with donor restrictions are comprised of funds, which are restricted by donors for specific purposes, and are comprised of cash and pledges receivable. Upon the expiration of either donor-imposed time or purpose restrictions, net assets with donor restrictions are transferred to net assets without donor restrictions.

Net assets with donor restrictions may also include contributions which: (1) must be maintained in perpetuity; (2) the donors have stipulated that the fund balance, and sometimes the net realized gains on investment transactions of the fund, must be maintained in perpetuity, however, the income from the related assets, interest earned and sometimes net realized gain, may be spent; and (3) the income or interest earned may be expended for such purposes as specified by the donor, or, if not specified, may be used for any purpose of the Organization. As of December 31, 2024, LLP does not maintain any net assets held permanently.

LUBUTO LIBRARY PARTNERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contribution and grant income is recognized when the grantor makes a promise to give to the Organization that is, in substance, unconditional. Contributions which are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the same year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a stipulated time restriction ends or purpose restriction is met, net assets with donor restrictions are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. Revenue is recognized for local government grants when services are complete, and LLP invoices the government agency for reimbursement.

Non-cash contributions, such as marketable securities or other valuables easily converted into cash are recorded at the fair market value on the date of the contribution. Any gain or loss on the subsequent sale is reported in the Statements of Activity as a realized gain/loss and is considered revenue without donor restrictions. For the years ended December 31, 2024, and 2023, there were no non-cash donations received by the Organization.

Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect in-kind contributions. In accordance with FASB ASC Topic 958, in-kind contributions, if any, are recorded at their estimated fair market value on the date the unconditional promise to give the asset is made and transfer of the asset is assured. In-kind contributions are included in the accompanying financial statements if the value of the donated services and materials can be objectively measured. See Note 3.

Functional expenses and allocations

The costs of providing the various programs and other operating activities have been summarized on a functional basis in the statement of functional expenditures. Certain costs that benefit a given program, as permitted by the grantor approved budget and/or management's best estimate of the benefit derived from a particular expenditure, have been directly allocated to that program based upon personnel time and other reasonable percentages as accepted in the nonprofit industry.

LUBUTO LIBRARY PARTNERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

LLP is exempt from Federal income taxes under Section 501 (c) (3) of the Internal Revenue Code (the Code) whereby only unrelated business income, as defined by Section 512(a) (1) of the Code, is subject to Federal income tax and is not considered a private foundation.

Uncertain tax positions

LLP is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to its exempt purpose. This code section enables LLP to accept donations that qualify as charitable contributions to the donor. LLP is subject to tax on net income from unrelated business activities. For the year ended December 31, 2024, LLP did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

The Organization is not aware of any activities that would jeopardize its tax-exempt status that would require recognition in the accompanying financial statements, pursuant to *Accounting Standards Codification (ASC) for Income Taxes*. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. The open tax years are years subsequent to December 31, 2022. If there are material omissions of income or material misstatement of facts, informational tax returns may be subject to examination for up to six years. It is LLP's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2024, the Organization had no accruals for interest and/or penalties as there were no uncertain tax positions.

Cash and cash equivalents

Cash and investments with maturities of 90 days or less are considered cash and cash equivalents for financial statement presentation purposes.

Grants and contributions

The majority of LLP's activities are supported by grants and contributions from the U.S. Government and other private entities. These awards are for various activities performed by LLP. Grants and contributions are recognized in the appropriate category of net assets in the period received. LLP performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

LUBUTO LIBRARY PARTNERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

For grants and contributions qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

Property, equipment, and leasehold improvements

Fixed assets in excess of \$500 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. The cost of maintenance and repairs is recorded as expenses are incurred

Foreign currency translation

The U.S. Dollar is the functional currency for LLP's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into Dollars at the exchange rate in effect at the date of the Statement of Financial Position.

3. DONATED SERVICES AND MATERIALS

In accordance with FASB ASC Topic 958: in-kind contributions, in-kind contributions are recorded at their estimated fair market value on the date the unconditional promise to are recorded at their fair value as of the date of the gift and consisted of donated salaries. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by LLP. None of the contributed nonfinancial assets were restricted by donors.

For the years ended December 31, 2024, LLP received donated services totaling \$112,698. Donated goods and services were based on management's best estimate of the value of these goods and services received. The donated goods and services are allocated between program and support services in the statements of functional expenses, and there were no donor-imposed restrictions on these in-kind contributions unless otherwise indicated.

LUBUTO LIBRARY PARTNERS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2024

4. COMMITMENTS AND CONTINGENCIES

Grants

Expenditures from certain grants with donor restrictions may be subject to audit by the grantor, and the Organization is contingently liable to refund amounts received if unallowable expenditures are found. Management is confident that no material refunds will occur as a result of any disallowed expenditures.

Leases

LLP leased office space in Zambia under an agreement that expired on May 31, 2024. For the period ended May 31, 2024, occupancy expense totaled \$1,689.

5. CONCENTRATIONS OF CREDIT RISK

At times during the year, it is possible for LLP to maintain cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000 per financial institution/per organization on demand deposits, certificates of deposit, and money market accounts combined. Additionally, LLP may, at times, maintain securities and money market cash balances at securities brokerage firms. Securities Investor Protection Corporation (SIPC) protects balances up to \$500,000 for marketable securities and \$100,000 for money market cash held by brokerage firms only. As of December 31, 2024, LLP did not exceed FDIC insurance limits.

Approximately 43% of LLP's support and revenue for the year ended December 31, 2024 was derived from grants awarded by agencies of the United States government. LLP has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect LLP's ability to finance ongoing operations.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2024:

	Amount
Furniture and equipment	\$ 104,485
Less accumulated depreciation	(67,819)
Total	\$ 36,666

Depreciation expense for the year ended December 31, 2024 totaled \$19,120

LUBUTO LIBRARY PARTNERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024

7. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2024, net assets with donor restrictions consisted of the following:

Program	Amount
Girls STEM Initiative	\$ 367
Scholarships	3,891
	\$ 4,258

8. SATISFACTION OF PURPOSE RESTRICTIONS

The following net assets with donor restrictions were released from programmatic restrictions and utilized for specified purposes and/or direct program expenses during the year ended December 31, 2024:

Funder	Amount
Research	\$ 87,609
Scholarships	1,663
	\$ 89,272

9. CONTINGENCY

LLP receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits. LLP did not meet the threshold to require an audit under Uniform Guidance for the year ended December 31, 2024.

LUBUTO LIBRARY PARTNERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024

10. LIQUIDITY

In accordance with FASB ASC Topic 958 and Accounting Standards Update (ASU 2016-14), as of December 31, 2024, LLP's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 169,739
Donor restricted net assets	<u>(4,258)</u>
Total	<u>\$ 165,481</u>

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, donor-imposed restrictions and other obligations come due. Liquid assets as of the statement of financial position date exceed current liabilities. There were no donor restricted net assets as of December 31, 2024. The Organization also anticipates continued support from its programmatic activities, individuals, foundations and other sources to meet their annual operating needs and donor commitments.

As of December 31, 2024, LLP net assets with donor-imposed restrictions totaled \$4,258 which are included in liquid assets. As of October 4, 2025, opinion date, LLP has received revenue and support totaling approximately \$96,000. LLP has not incurred any substantial liabilities as of October 4, 2025, and cash balances as of the opinion date totaled approximately \$124,864.

11. SUBSEQUENT EVENTS

All outstanding Plan obligations as of December 31, 2024, have been fully funded and all required reporting has been completed.

Subsequent events have been reviewed through October 4, 2025, and no additional transactions were noted requiring adjustment to or disclosure in the financial statements as of and for the year ended December 31, 2024.