

**LIBRARIES WITHOUT BORDERS**  
**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**DECEMBER 31, 2024 AND 2023**

## **TABLE OF CONTENTS**

	<u>Page No.</u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statement of Activities, Year Ended December 31, 2024	4
Statement of Activities, Year Ended December 31, 2023	5
Statement of Functional Expenses, Year Ended December 31, 2024	6
Statement of Functional Expenses, Year Ended December 31, 2023	7
Statements of Cash Flows	8
Notes to the Financial Statements	9 - 17



CERTIFIED PUBLIC ACCOUNTANTS

1730 Rhode Island Avenue, NW  
Suite 800  
Washington, DC 20036  
(202) 296-3306  
Fax: (202) 296-0059

## Independent Auditor's Report

To the Board of Directors  
Libraries Without Borders  
New York, NY

### **Opinion**

We have audited the accompanying financial statements of Libraries Without Borders, 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 respects, the financial position of Libraries Without Borders as of December 31, 2024, and 2023, and the changes in their net assets and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Libraries Without Borders 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 Libraries Without Borders' ability to continue as a going concern within one year after the date that 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 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 Libraries Without Borders' 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 Libraries Without Borders' 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  
September 30, 2025

**LIBRARIES WITHOUT BORDERS**  
**STATEMENTS OF FINANCIAL POSITION**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 65,296	\$ 143,702
Grants and contributions receivable	284,047	593,750
Accounts receivable	16,000	1,204
Prepaid expenses	2,847	6,140
Total Current Assets	<u>368,190</u>	<u>744,796</u>
<b>OTHER ASSETS</b>		
Investments	<u>804,619</u>	<u>259,529</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,172,809</u></u>	<u><u>\$ 1,004,325</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 14,167	\$ 18,666
Accrued expenses	61,716	65,323
Total Current Liabilities	<u>75,883</u>	<u>83,989</u>
Total Liabilities	<u>75,883</u>	<u>83,989</u>
<b>NET ASSETS</b>		
Without donor restrictions	(64,529)	(102,521)
With donor restrictions	1,161,455	1,022,857
Total Net Assets	<u>1,096,926</u>	<u>920,336</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,172,809</u></u>	<u><u>\$ 1,004,325</u></u>

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

**LIBRARIES WITHOUT BORDERS**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 384,294	\$ 700,000	\$ 1,084,294
Contract revenue	46,000		46,000
In-kind services	347,233	-	347,233
Investment income, net	23,097	-	23,097
Other income	6,846	-	6,846
Net assets released from restrictions	561,402	(561,402)	-
Total Revenue and Support	1,368,872	138,598	1,507,470
<b>EXPENSES</b>			
Program Services:			
General program	59,969	-	59,969
Loíza Vive!	315,080	-	315,080
Library outreach	263,255	-	263,255
Puerto Rico library directory	108,855	-	108,855
Baltimore crown	101,174	-	101,174
Total Program Services	848,333	-	848,333
Support Services:			
Management and general	441,959	-	441,959
Fundraising	40,588	-	40,588
Total Support Services	482,547	-	482,547
Total Expenses	1,330,880	-	1,330,880
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	37,992	138,598	176,590
<b>NET ASSETS (DEFICIT), beginning of year</b>	(102,521)	1,022,857	920,336
<b>NET ASSETS (DEFICIT), end of year</b>	\$ (64,529)	\$ 1,161,455	\$ 1,096,926

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

**LIBRARIES WITHOUT BORDERS**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 372,750	\$ 1,260,000	\$ 1,632,750
In-kind services	124,417	-	124,417
Investment income, net	1,505	-	1,505
Other income	36,510	-	36,510
Net assets released from restrictions	468,763	(468,763)	-
Total Revenue and Support	<u>1,003,945</u>	<u>791,237</u>	<u>1,795,182</u>
<b>EXPENSES</b>			
Program Services:			
General program	191,232	-	191,232
Loíza Vive!	249,478	-	249,478
Library outreach	293,392	-	293,392
Baltimore crown	90,483	-	90,483
Total Program Services	<u>824,585</u>	<u>-</u>	<u>824,585</u>
Support Services:			
Management and general	157,151	-	157,151
Fundraising	69,541	-	69,541
Total Support Services	<u>226,692</u>	<u>-</u>	<u>226,692</u>
Total Expenses	<u>1,051,277</u>	<u>-</u>	<u>1,051,277</u>
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	(47,332)	791,237	743,905
<b>NET ASSETS (DEFICIT), beginning of year</b>	<u>(55,189)</u>	<u>231,620</u>	<u>176,431</u>
<b>NET ASSETS (DEFICIT), end of year</b>	<u><u>\$ (102,521)</u></u>	<u><u>\$ 1,022,857</u></u>	<u><u>\$ 920,336</u></u>

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

**LIBRARIES WITHOUT BORDERS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

	PROGRAM SERVICES						SUPPORT SERVICES			Total
	General Program	Loíza Vive!	Library Outreach	Puerto Rico Library Directory	Baltimore Crown	Total Program Services	Management and General	Fundraising	Total Support Services	
Personnel Costs:										
Salaries	\$ 11,325	\$ 163,800	\$ 192,797	\$ 67,864	\$ 72,736	\$ 508,522	\$ 34,461	\$ 11,480	\$ 45,941	\$ 554,463
Employee benefits	4,850	14,720	10,377	6,047	6,411	42,405	4,318	1,715	6,033	48,438
Payroll taxes	5,259	14,225	14,113	6,099	5,478	45,174	4,548	1,801	6,349	51,523
Total Personnel Costs	21,434	192,745	217,287	80,010	84,625	596,101	43,327	14,996	58,323	654,424
Accounting and audit	-	-	-	-	-	-	47,531	-	47,531	47,531
Bank and finance charges	-	27	-	4	-	31	1,689	1,049	2,738	2,769
Communications and publicity	1,995	-	-	1,156	-	3,151	-	-	-	3,151
Conferences and meetings facilities	3,569	-	-	-	-	3,569	-	-	-	3,569
Contractual services	-	55,500	6,667	23,150	-	85,317	-	-	-	85,317
Dues and subscriptions	679	1,647	15	1,557	-	3,898	8,481	514	8,995	12,893
Equipment	-	-	-	-	-	-	1,414	-	1,414	1,414
In-kind legal services	-	-	-	-	-	-	332,515	-	332,515	332,515
In-kind professional consultants	14,718	-	-	-	-	14,718	-	-	-	14,718
Insurance	-	-	-	-	-	-	2,984	-	2,984	2,984
Miscellaneous	32	-	-	-	5,000	5,032	915	-	915	5,947
Occupancy	302	-	-	68	223	593	-	-	-	593
Office supplies	-	-	-	-	-	-	1,598	58	1,656	1,656
Professional fees	761	2,780	8,442	675	705	13,363	1,359	23,405	24,764	38,127
Program services	24	50,375	-	-	6,750	57,149	-	-	-	57,149
Program supplies	228	8,710	6,586	1,627	20	17,171	-	-	-	17,171
Travel	16,227	3,296	24,258	608	3,851	48,240	146	566	712	48,952
Total Expenses	<u>\$ 59,969</u>	<u>\$ 315,080</u>	<u>\$ 263,255</u>	<u>\$ 108,855</u>	<u>\$ 101,174</u>	<u>\$ 848,333</u>	<u>\$ 441,959</u>	<u>\$ 40,588</u>	<u>\$ 482,547</u>	<u>\$ 1,330,880</u>

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



**LIBRARIES WITHOUT BORDERS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	PROGRAM SERVICES					SUPPORT SERVICES			
	General Program	Loíza Vive!	Library Outreach	Baltimore Crown	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Personnel Costs:									
Salaries	\$ 55,262	\$ 128,706	\$ 198,533	\$ 57,556	\$ 440,057	\$ 41,490	\$ 19,706	\$ 61,196	\$ 501,253
Employee benefits	5,937	9,265	20,177	7,665	43,044	894	3,803	4,697	47,741
Payroll taxes	5,077	10,785	16,920	5,227	38,009	3,645	2,037	5,682	43,691
Total Personnel Costs	66,276	148,756	235,630	70,448	521,110	46,029	25,546	71,575	592,685
Accounting and audit	-	-	-	-	-	73,600	-	73,600	73,600
Bank and finance charges	-	-	-	-	-	2,332	-	2,332	2,332
Communications and publicity	262	1,472	-	-	1,734	29	68	97	1,831
Conferences and meetings facilities	1,422	-	109	-	1,531	-	6,647	6,647	8,178
Contractual services	-	27,500	-	1,415	28,915	-	-	-	28,915
Dues and subscriptions	752	1,739	359	34	2,884	6,133	-	6,133	9,017
Education and outreach	-	34,021	707	15,300	50,028	-	-	-	50,028
Equipment	1,114	-	-	-	1,114	1,335	-	1,335	2,449
In-kind legal services	101,016	-	-	-	101,016	-	-	-	101,016
In-kind professional consultants	5,422	-	-	-	5,422	17,979	-	17,979	23,401
Insurance	-	-	-	-	-	166	-	166	166
Miscellaneous	-	-	-	-	-	1,440	-	1,440	1,440
Occupancy	-	820	-	715	1,535	1,356	-	1,356	2,891
Office supplies	26	1,147	350	-	1,523	1,401	1,862	3,263	4,786
Professional fees	5,799	4,390	2,947	838	13,974	3,976	33,856	37,832	51,806
Program supplies	-	23,284	1,882	775	25,941	-	-	-	25,941
Travel	9,143	6,349	51,408	958	67,858	1,375	1,562	2,937	70,795
Total Expenses	<u>\$ 191,232</u>	<u>\$ 249,478</u>	<u>\$ 293,392</u>	<u>\$ 90,483</u>	<u>\$ 824,585</u>	<u>\$ 157,151</u>	<u>\$ 69,541</u>	<u>\$ 226,692</u>	<u>\$ 1,051,277</u>

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

**LIBRARIES WITHOUT BORDERS**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 176,590	\$ 743,905
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net change in fair value of investments	(23,097)	(1,505)
(Increase) decrease in assets:		
Grants and contributions receivable	309,703	(455,163)
Accounts receivable	(14,796)	(1,204)
Prepaid expenses	3,293	(3,088)
Increase (decrease) in liabilities:		
Accounts payable	(4,499)	(300)
Accrued expenses	(3,607)	33,964
Net Cash Provided by Operating Activities	<u>443,587</u>	<u>316,609</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	<u>(521,993)</u>	<u>(258,024)</u>
Net Cash Used for Investing Activities	<u>(521,993)</u>	<u>(258,024)</u>
<b>NET CHANGE IN CASH</b>	(78,406)	58,585
<b>CASH, beginning of year</b>	<u>143,702</u>	<u>85,117</u>
<b>CASH, end of year</b>	<u><u>\$ 65,296</u></u>	<u><u>\$ 143,702</u></u>

The accompanying notes are an integrated part of these financial statements.

**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE A - ORGANIZATION AND NATURE OF BUSINESS**

Libraries Without Borders (“LWB”) is a non-profit organization whose primary purpose is to bridge gaps in access to knowledge and information for marginalized communities. LWB works in the United States and Puerto Rico in order to ensure access to critical information, educational opportunities, and local resources.

Program Descriptions

LWB provides the following program services.

**General Program:** In 2023, LWB launched a new national strategy to partner with library systems around the country to identify and remove barriers to access and, ultimately, expand their reach. Throughout 2023, LWB worked to develop the core components of this model to be used in future partnerships. In 2024, LWB expanded its strategy to partner with library systems around the country to identify and remove barriers preventing people from accessing their freely available resources and to, ultimately, expand library reach. Throughout 2024, LWB worked on several key partnerships built around this model.

**Loíza Vive!:** Loíza, Puerto Rico is the center of Afro-Puerto Rican life and one of the poorest communities on the island. With low levels of digital literacy amongst residents and significant changes to the community resulting from gentrification, hundreds of years of Afro-Puerto Rican heritage are at risk of being lost. Therefore, LWB is partnering with local residents, academic organizations, and community groups to create a network of six digital archives across Loíza. LWB is working with residents to teach digital and cultural archiving skills as well as oral and video storytelling. LWB is also facilitating a series of training workshops to equip community leaders with the skills needed to effectively recognize, document, and record their cultural heritage.

**Library Outreach:**

**Connecticut State Library:** In 2023, the Connecticut State Library and Libraries Without Borders US launched a twelve-month pilot program to enhance the capacity of Connecticut libraries. The pilot included a cohort of six libraries representing urban, suburban, and rural communities across the state. The overarching goal was to grow each library’s reach and sustainably connect community members to its resources and services. For each of the six libraries, LWB conducted a community assessment review to identify library assets and offerings as well as community assets, needs, and barriers. From there, LWB co-designed and implemented relevant outreach strategies to grow the reach of each library. Finally, LWB provided sustainability tools and training to ensure that each library was poised to continue to grow their reach. This project was made possible in part by the Institute of Museum and Library Services under the provisions of the Library Services and Technology Act, administered by the Connecticut State Library.

**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE A - ORGANIZATION AND NATURE OF BUSINESS – continued**

Program Descriptions (continued)

***Library Outreach*** (continued)

*Connecticut State Library* (continued): In 2024, LWB collaborated with the Connecticut State Library to host a series of workshops on the topic of Reimagining Library Outreach and Access. This included twelve total sessions covering ten different topics over the course of nine months. The trainings provided library staff from around the state with strategies, tools, and frameworks to expand their reach and impact within their own communities. Using their own library and local data, participants had the opportunity to evaluate barriers to access within their communities and reimagine their outreach strategy utilizing their existing assets.

*Fayette County Public Library*: In 2024, LWB partnered with Fayette County Public Library to conduct local and national research on best practices to expand the effectiveness of their bookmobile and explore options to implement courier services.

*School-Library Partnerships*: In 2024, LWB launched a national initiative, collaborating with public libraries and school districts across the U. S. to expand library usage for underserved youth and families. In each partnership, LWB is working directly with local libraries and schools to identify specific barriers preventing students and families from using library resources.

***Puerto Rico Library Directory***: In 2024, LWB began working with libraries across Puerto Rico to create a centralized, digital directory that identifies the resources and services that libraries offer. This project will break down barriers to library access by increasing awareness of the resources and services offered by Puerto Rico’s libraries. It will result in improved utilization of library services, particularly amongst underserved communities, contributing to increased rates of basic and digital literacy.

***Baltimore Crown***: LWB expanded its work within Baltimore in partnership with the Black Mental Health Alliance to create the Baltimore Crown Project, which will increase mental health resource access within trusted community spaces; specifically, local barbershops and salons across Baltimore City. The project will provide training for shop and salon staff in supporting clients and directing them to relevant community resources. It will also offer staff an opportunity to receive free mental health check-ins, connect community members directly to local resource offerings, and provide opportunities for community conversations around mental health related topics.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

LWB prepares its financial statements on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned, and expenses and related liabilities are recognized as the obligations are incurred.

**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, Not-for-Profit Entities. In accordance with the Topic, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of LWB and changes therein, are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets not subject to donor-imposed restrictions or stipulations.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed stipulations that may or will be met by either actions of LWB and/or the passage of time, or that must be maintained perpetuity by LWB. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Cash

Cash is held in non-interest bearing bank deposit accounts, which are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per institution. At times, the accounts may exceed the insured limit; however, LWB believes it is not exposed to any significant credit risk on cash.

Grants and Contributions, and Accounts Receivable

Grants and contributions, and accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for credit losses is necessary based upon a review of outstanding receivables, historical collection of information, and existing economic conditions. Receivables deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes all receivables are collectible within one year or less; and therefore, no allowance for credit losses was established as of December 31, 2024 and 2023.

Investments

Investments are reported at fair value, which is based on observable quoted market prices. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date. Net appreciation or depreciation in fair value of investments includes the gains and losses on investments bought and sold as well as held during the year.

**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Revenue Recognition

*Grants and Contributions*

LWB recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions.

*Contract Revenue*

LWB recognizes contract revenue after the completion of each performance obligation.

*In-kind Services*

LWB receives donated time from volunteers in support of its operations. Volunteer professional consultants providing specialized services to help LWB achieve its program activities and to grow its business operations are recognized as in-kind services. Donated time received from law firms is recognized as in-kind legal services, and is utilized for LWB's programs and supporting activities. The time donated for operations has not been reflected in these financial statements unless it meets the criteria for recognition under generally accepted accounting principles; whereby, contributions that create or enhance non-financial assets or require specialized skills that would typically need to be purchased if not provided by donation.

*Other Income*

Other income includes tax refunds, insurance refunds, and reimbursements for program expenditures. Other income is recognized upon receipt.

Methods Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include professional fees, travel, and other applicable expenditures, which are allocated on the basis of salaries and related costs, determined by estimates of time and effort expended.

**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B - SUMMARY OF 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 the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE C - INCOME TAXES**

LWB is a California nonprofit public benefit corporation that serves charitable and educational purposes. LWB is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. However, LWB is subject to tax on business income unrelated to its exempt purpose. As of December 31, 2024 and 2023, LWB had no liability for tax on unrelated business income. LWB files its information returns and other tax returns as required.

LWB believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. LWB's information returns are subject to examination by the Internal Revenue Service ("IRS") for a period of three years from the date they were filed, except under certain circumstances.

LWB's Form 990 information returns for the years ended December 31, 2021 through 2023, are open for a tax examination by the IRS, although no request has been made as of the date of these financial statements.

**NOTE D - AVAILABLE RESOURCES AND LIQUIDITY**

LWB's management regularly monitors liquidity requirements to ensure that ongoing operating needs and other contractual commitments are met. Timing of revenue receipts also ensures the availability of necessary operational funds. Sources of liquidity available to LWB include financial assets consisting of cash, grants and contributions receivable, accounts receivable, and investments. In addition, LWB anticipates receiving additional grants and contributions that will sufficiently cover its operating expenses over a 12-month period.

In determining the adequacy of liquidity sources to cover general operating expenditures over a 12-month period, LWB considers all expenditures related to its programs and support services to be general operating expenditures.

**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE D - AVAILABLE RESOURCES AND LIQUIDITY – continued**

The table included below reflects LWB’s financial assets (deficit) as of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of donor restrictions. As of December 31, 2023, net assets with donor restrictions exceeded total financial assets held by LWB (also see Note J):

	2024	2023
Financial Assets		
Cash	\$ 65,296	\$ 143,702
Grants and contributions receivable	284,047	593,750
Accounts receivable	16,000	1,204
Investments	804,619	259,529
Total Financial Assets	1,169,962	998,185
Less: Net assets with donor restrictions for time or purpose	(1,161,455)	(1,022,857)
Total Financial Assets (Deficit) Available / Not Available to		
Meet Cash Needs for General Expenditures within One Year	<u>\$ 8,507</u>	<u>\$ (24,672)</u>

**NOTE E - FAIR VALUE MEASUREMENT**

FASB ASC Topic 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That 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 as follows:

- Level 1      Inputs are based on unadjusted quoted prices for identical assets traded in active markets that LWB has the ability to access.
  
- Level 2      Inputs are based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.
  
- Level 3      Inputs are unobservable and significant to the fair value measurement.

The fair value of money market funds are valued by carrying amount, which approximates fair value.



**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE E - FAIR VALUE MEASUREMENT** – continued

Investments are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and those changes could materially affect the amounts reported in the statement of financial position.

The following table presents LWB's fair value hierarchy for investment securities measured at fair value on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 804,619	\$ -	\$ -	\$ 804,619
Total Investments	\$ 804,619	\$ -	\$ -	\$ 804,619

The following table presents LWB's fair value hierarchy for investment securities measured at fair value on a recurring basis as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 259,529	\$ -	\$ -	\$ 259,529
Total Investments	\$ 259,529	\$ -	\$ -	\$ 259,529

**NOTE F - NET ASSETS WITH DONOR RESTRICTIONS**

LWB had net assets with donor restrictions for the following projects as of December 31,:

	2024	2023
Baltimore Crown Project	\$ 62,866	\$ 163,945
Library Outreach Project	163,707	-
Loíza Vive! Project	543,737	858,912
Puerto Rico Library Directory	391,145	-
Total	\$ 1,161,455	\$ 1,022,857

**NOTE G - CONCENTRATION OF RISK**

During the year ended December 31, 2024 , LWB received a total of approximately 46% of its revenue from Mellon Foundation and Demain Peut Etre. During the year ended December 31, 2023, LWB received a total of 56% of its revenue from Mellon Foundation. Reduction of this source of support could have a significant impact on LWB's programs and activities.

**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE H – IN-KIND CONTRIBUTED SERVICES**

Contributed services that require specialized skills or other services that LWB would otherwise need to purchase are recorded at an estimated fair value based on current rates for similar services. During the year ended December 31, 2024, LWB received approximately 237 hours at an estimated fair value of \$332,515 in donated legal services, and approximately 39 hours at an estimated fair value of \$14,718 in professional consultant services. During the year ended December 31, 2023, LWB received approximately 113 hours at an estimated fair value of \$101,016 in donated legal services, and approximately 89 hours at an estimated fair value of \$23,401 in professional consultant services. The contributed services were used for program services and support services, and were allocated in the accompanying statements of functional expenses. Unless otherwise noted, in-kind contributions did not have any donor-imposed restrictions.

**NOTE I - RETIREMENT PLAN**

LWB sponsors the Justworks Retirement Savings Plan (“401(k) Plan”), which is available to eligible employees who have completed at least two months of service. Participants may make pre-tax and Roth (after-tax) contributions. The employer will match 50% of the participant’s elective deferral per pay period up to the first 6% of the participant’s compensation for such pay period. For the year ended December 31, 2024 and 2023, employer contributions to the 401(k) Plan totaled \$6,459, and \$6,777, respectively.

**NOTE J - FINANCIAL CONDITION**

During 2023, as a result of increased program demands and rapidly rising program costs, outpacing the increases in revenues from contributions and grants without donor restrictions, LWB experienced an increase in net deficit without donor restrictions. Net deficit without donor restrictions as of December 31, 2023, totaled (\$102,512). The net deficit without donor restrictions was the result of grants and contributions with donor restrictions significantly exceeding grants and contributions without donor restrictions; leaving LWB with limited funding for its supporting services. During 2024, management secured additional revenue streams through contract revenue and grants and contributions without donor restrictions from other organizations, high net-worth donors, and members of the Board of Directors. As a result, LWB achieved a positive change in net assets without donor restrictions and the net deficit without donor restrictions as of December 31, 2024 improved, totaling (\$64,529). LWB will continue working to secure additional revenue streams and to reduce operating and program expenses where feasible. The goal of these combined efforts is to return LWB to a positive net assets without donor restrictions as of the year ending December 31, 2025, and to continue this trend in the foreseeable future.

**LIBRARIES WITHOUT BORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE K - SUBSEQUENT EVENTS**

In preparing these financial statements, LWB's management has evaluated events and transactions for potential recognition or disclosure through September 30, 2025, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.