

**LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC
EXCELLENCE (LIPACE)**

**AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS
FOR THE PERIOD SEPTEMBER 1, 2024 THRU AUGUST 31, 2025**



Nimely & Associates, Inc., CPA
B.G. FREEMAN BLDG, BENSON STREET, MONROVIA, LIBERIA



Nimely & Associates Inc., CPA

LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

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LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

**AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS
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GENERAL INFORMATION

BOARD OF DIRECTORS: David S. Massaquoi - Chairman
Abel T. Fahnlon - Member
Margaret Nigba - Member
Sarah Mulbah - Member
Benjamin M. Freeman Jr. - Secretary

REGISTERED OFFICE: Duport Road, Behind 704 Junction
Paynesville, Liberia

MANAGEMENT TEAM: Benjamin M. Freeman Jr. - Executive Director
Samuel Kpehe - Finance Manager
Isaiah G. Timothy - Program Manager
Teyeh Kennedy - Procurement & Logistics Manager

BANKER(S):	United Bank of Africa (UBA)	Ecobank Liberia
	Board Street	11th Street, Sinkor
	Monrovia, Liberia	Monrovia, Liberia

AUDITORS: Nimely & Associates, CPA
B.G. Freeman Building
Benson Street
Monrovia, Liberia

Dr. A. Nyanfore Nimely, CPA
Managing Partner

+231-886-518-780
+231-770-518-780
Email: nyanforenimely2000@gmail.com

Independent Auditors' Report

To: **The Board of Directors**
Liberia Institute for the Promotion of Academic Excellence (LIPACE)
Monrovia, Liberia

We have audited the accompanying Special Purpose Fund Statements of the Liberia Institute for the Promotion of Academic Excellence (LIPACE) which comprise of Statement of Net worth for the period September 1, 2024 thru August 31, 2025, Statement of Income and Expenditure for the period then ended and a summary of significant accounting policies and other explanatory information set out on pages 4-13.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles (GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of fund statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for informing us about all known or suspected fraud affecting the company involving management, employees who have significant roles in internal control and others where the fraud could have a material effect on the fund statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these fund statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the fund statements 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 the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the fund statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

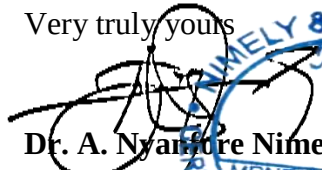
Opinion

In our opinion, the Special Propose Fund statements referred to above presents fairly in all material respects the financial position of the Liberia Institute for the Promotion of Academic Excellence (LIPACE) for the period then ended under the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) as described in Note 2

Emphasis of Other Matters:

Other audit matters are those matters that, in our professional judgment, were of most significance in our audit of the fund statements of the current period. We have determined that there are no such matters to report.

Very truly yours


Dr. A. Nyantore Nimely, CPA
MANAGING PARTNER
December 20, 2025



LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

**AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS
FOR THE PERIOD SEPTEMBER 1, 2024 THRU AUGUST 31, 2025**

STATEMENT OF INCOME AND EXPENDITURE

<u>INCOME</u>	<u>Notes</u>	<u>US\$</u>
Balance B/F August 31, 2024		197,141
Funds Receipt	3	<u>481,133.97</u>
Total Funds Received		<u>678,274.97</u>
 <u>EXPENDITURE</u>		
Program Supplies	4	103,252.00
Travel Perdiem	5	52,125.00
Fuel and Gasoline Cost	6	23,000.00
Lodging	7	540.00
Meals (School Feeding Expenses)	8	149,119.50
Registrations & Licenses	9	545.00
Insurance	10	550.00
Salaries & Wages	11	159,214.50
Payroll Taxes - Social Security Tax	12	3,122.50
Building Maintenance	13	3,180.00
Telephone /Communications	14	2,362.44
Vehicle Repair/ Maintenance	15	8,090.00
Equipment Purchase	16	1,800.00
Other Administrative Expenses	17	28,210.00
Bank Charges	18	4,100.86
 Total Expenditure		 <u>539,211.8</u>
 Excess of Receipts over Expenditures		 <u>139,063.17</u>
 Balance of Funds at the end of the period		 <u>139,063.17</u>

The fund Statements were approved by the Board of Director and were signed on their behalf by:



Executive Director – LIPACE

Date: December 20, 2025



Finance Manager – LIPACE

Date: December 20, 2025



LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

**AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS
FOR THE PERIOD SEPTEMBER 1, 2024 THRU AUGUST 31, 2025**

STATEMENT OF NET WORTH

ASSETS	<u>Notes</u>	<u>US\$</u>
Current Assets:		
Cash and Cash Equivalents		<u>139,063.17</u>
Total Current Assets		<u>139,063.17</u>
Long-Term Assets		
Furniture, Fixtures and Equipment		74,760.94
Motorbike		16,050
Total Long-Term Assets		<u>90,810.94</u>
Total Assets		<u>229,874.11</u>
Net Worth and Liabilities		
Net Worth		
Net Income		139,063.17
Opening Balance Equity		197,141
Retained Earnings		<u>(106,330.06)</u>
Total Net Worth		<u>229,874.11</u>
Total Net Worth & Liabilities		<u>229,874.11</u>

LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

**AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS
FOR THE PERIOD SEPTEMBER 1, 2024 THRU AUGUST 31, 2025**

STATEMENT OF BUDGETED AND ACTUAL INCOME

Description	Notes	Budgeted Income	Prior year Actual Income	Actual Income this Period	Actual income to date	Variance
B/F			197,141	197,141	197,141	-
Luminos	3	481,133.97	-	481,133.97	481,133.97	-
Other Income		-		-	-	-
TOTAL		481,133.97	197,141	678,274.97	678,274.97	-

6.

B.G.FREEMAN BLDG. BENSON STREET, 1000 MONROVIA, 10 LIBERIA



LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

**AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS
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STATEMENT OF BUDGETED AND ACTUAL EXPENDITURE

Description	Notes	Budgeted Expenditure	Actual during Previously period	Actual Expenditure during current period	Variance
Program Supplies	4	162,000.00	-	103,252.00	58,748.00
Travel Perdiem	5	85,625.00	-	52,125.00	33,500.00
Fuel and Gasoline Cost	6	23,000.00	-	23,000.00	-
Lodging	7	540.00	-	540.00	-
Meals (School Feeding Expenses)	8	190,816.61		149,119.50	41,697.11
Registrations & Licenses	9	550.00	-	545.00	5.00
Insurance	10	560.00	-	550.00	10.00
Salaries & Wages	11	159,214.50	-	159,214.50	-
Payroll Taxes - Social Security Tax	12	3,122.50	-	3,122.50	-
Building Maintenance	13	3,280.00	-	3,180.00	100.00
Telephone /Communications	14	2,365.50	-	2,362.44	3.06
Vehicle Repair/ Maintenance	15	13,090.00	-	8,090.00	5,000.00
Equipment Purchase	16	1,800.00	-	1,800.00	-
Other Administrative Expenses	17	28,210.00	-	28,210.00	-
Bank Charges	18	4,100.86	-	4,100.86	-
TOTAL		678,274.97	-	539,211.80	139,063.17



LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

**AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS
FOR THE PERIOD SEPTEMBER 1, 2024 THRU AUGUST 31, 2025**

STATEMENT OF CASH STATUS

CURRENCY: U. S. DOLLARS

US\$

A. FUND BALANCE

Balance of Project Fund at the start of period	197,141
ADD: Total Receipt during the period	<u>481,133.97</u>
Total Fund Available for Operation	678,274.97

LESS: Total Payments during the year	<u>(539,211.80)</u>
Balance at the end of the period	<u>139,063.17</u>

B. CASH STATUS

Cash at Bank	138,780.25
Cash on Hand	<u>289.92</u>

DIFFERENCE BETWEEN A & B

-

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

LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS FOR THE PERIOD SEPTEMBER 1, 2024 THRU AUGUST 31, 2025

NOTES

1. ACCOUNTING POLICIES

i. GENERAL

The management of Liberia Institute for the Promotion of Academic Excellence (LIPACE) manages the Financial Resources of the entity and it maintains a United States Dollars Account with both the United Bank of Africa (UBA) and Ecobank Liberia in which the funds are deposited and through which expenditures are incurred. When payments are prepared for the various activities, the Liberia Institute for the Promotion of Academic Excellence (LIPACE) Finance and Administrative Officer prepares the vouchers and sends it to the Executive Director for approval, and disbursements are made as per the activities budget via the Cashier.

NOTE 2. Summary of Significant Accounting Policies

ii. ACCOUNTING POLICIES

The entity uses a cash basis of Accounting. However, this report is based on the Accounting Policies applicable to Grant Accounting, which ensures that resources are expended in accordance with provision of the Project Budget, specific policies applied were:

a) Basis of Presentation

The fund statements of Liberia Institute for the Promotion of Academic Excellence (LIPACE) have been prepared in accordance with Generally Accepted Accounting Principles. They have been prepared under the historical cost basis unless otherwise stated.

b) Functional and reporting currency

These financial statements are presented in United States dollars in accordance with the requirements of the New Financial Institution Act of 1999.

c) Capital Expenditure

Disbursements for Capital or Non- Expendable Equipment are expensed in the period they are incurred.

d) Cash and cash Equivalents

Cash and cash equivalent balances represent Liberia Institute for the Promotion of Academic Excellence (LIPACE) petty cash and cash-in-bank. The organization maintains its cash- in- bank with United Bank for Africa (UBA) and Eco-Bank Liberia.



LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS FOR THE PERIOD SEPTEMBER 1, 2024 THRU AUGUST 31, 2025

NOTES

Governance and Internal Control Strengthening

In January 2025, the organization identified an incident involving the unauthorized encashment of a forged check amounting to USD \$30,000 on its United Bank of Africa Second Chance Project Account. The irregularity was detected through routine monthly bank reconciliation and digital accounting review processes. Upon detection, Management immediately escalated the matter to the Board of Directors, notified its primary donor, and engaged banking authorities and law enforcement.

To ensure uninterrupted implementation of the affected donor-funded project, the Board of Directors approved the restoration of the project account through administrative funds pending legal recovery. As a result, project operations continued without disruption, and donor confidence was maintained, leading to continued portfolio engagement.

The incident did not result in a material misstatement of the financial statements for the current reporting period. In parallel, both criminal and civil proceedings were initiated to pursue recovery and damages. Any future recoveries will accrue to the organization.

The Board further approved a comprehensive internal systems and grants management review conducted by an independent consultant. The review concluded that the fraud was not the result of systemic failure but a targeted exploitation of specific procedural vulnerabilities within otherwise functional control structures. The consultant affirmed that LIPACE's financial management framework remains fundamentally sound with no material weaknesses.

As part of institutional reforms, the organization implemented strengthened internal control measures including enhanced segregation of duties, revised signatory mandates, strengthened banking confirmation protocols, and formalization of a fraud response framework.

Additionally, LIPACE transitioned from a check-based disbursement system to a digital-first payment structure. All major vendor payments are now processed via electronic funds transfer (EFT), and petty cash operations are administered through secure mobile money platforms. This migration significantly enhances transaction traceability, multi-level approval processes, audit trails, and overall financial transparency.

Management remains committed to maintaining high standards of accountability, risk management, and continuous institutional strengthening.

LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS FOR THE PERIOD SEPTEMBER 1, 2024 THRU AUGUST 31, 2025

NOTES

Management's Report & Responsibility

The management of the Liberia Institute for the Promotion of Academic Excellence (LIPACE) presents their report and the audited fund statements for the period September 1, 2024 thru August 31, 2025.

We conducted our audit in accordance with International Accounting Standards (IAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing our audit of the fund statements of the Institute for the Promotion of Academic Excellence (LIPACE) for the period September 1, 2024 thru August 31, 2025, we considered its Internal Control Structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the Internal Control Structure.

Management's Responsibility Statement:

The institution's Management is responsible for the preparation and fair presentation of the financial statements; the statement of receipts and payments for the period then ended, and notes to the financial statements. The notes to the financial statements include a summary of significant accounting policies and other explanatory notes, and the report of the management in accordance with the International Accounting Standards (IAS), and in the manner required by the provisions of the grant agreement.

The management's responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

The management's responsibility also includes: maintaining adequate accounting records and an effective system of risks management.

LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS

For the period September 1, 2024 thru August 31, 2025

Management's Responsibility Statement (Continued)

Principal Activities

The Liberia Institute for the Promotion of Academic Excellence (LIPACE) is a not-for-profit entity incorporated in 2011 under the Association Law of 1976 of the Republic of Liberia.

Vision

We envision a society with quality education and improve educational outcomes for all irrespective of backgrounds, social status and location.

Mission

Our mission is to empower schools, teachers, students, and communities using data driven programs to increase achievement and deliver quality education for all.

Theories of Change

LIPACE's theory of change is anchored in the conviction that sustainable development begins with inclusive learning, empowered youth, and responsive systems.

We work at three interconnected levels:

INDIVIDUAL: We equip learners and youth with foundational skills, confidence, and mindset to thrive in life and learning.

COMMUNITY: We strengthen the capacity of schools, caregivers, community structures, and local institutions to support learning and accountability.

SYSTEM: We engage in policy advocacy, build coalitions, and use research to influence national education priorities and expand civic voice.

This layered approach allows us to connect grassroots innovation with system-level change. It is this continuum, from learner to policymaker, which forms the basis of our strategy to become a national Achievement Hub, advancing equity, excellence, and opportunity

LIBERIA INSTITUTE FOR THE PROMOTION OF ACADEMIC EXCELLENCE (LIPACE)

AUDITOR'S REPORT AND SPECIAL PURPOSE FUND STATEMENTS

For the period September 1, 2024 thru August 31, 2025

Management's Responsibility Statement (Continued)

PROJECT BENEFICIARIES:

- Men, Women, Boys and Girls between the ages of 18 to 50
- Out – of – School Children (OOSC) below 15 years
- Youths, especially women and girls
- Secondary Students
- Teachers

PROJECT COVERAGE: The project geographic location is in the following counties:

- Grand Cape Mount
- Grand Gedeh
- Grand Bassa
- Montserrado
- Bomi and
- Margibi Counties

Dr. A. Nyanfore Nimely, CPA
Managing Partner

+231-886-518-780
+231-770-518-780
Email: nyanforenimely2000@gmail.com

AUDITORS' REPORT ON INTERNAL CONTROL

**To: The Project Partners
Liberia Institute for the Promotion of Academic Excellence (LIPACE)
Monrovia, Liberia**

We have audited the accompany statements of receipts and payments of the Liberia Institute for the Promotion of Academic Excellence (LIPACE) project for the period September 1, 2024 thru August 31, 2025 and the related Statement of Income, Expenditure and Fund Balance for the period then ended and have issued this report thereon.

We conducted our audit in accordance with Generally Accepted Auditing Standards (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing our audit of the financial statements of the for the period September 1, 2024 thru August 31, 2025, we considered its Internal Control Structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the Internal Control Structure.

The Management of the Liberia Institute for the Promotion of Academic Excellence (LIPACE) is responsible for establishing and maintaining an Internal Control Structure. In fulfilling this responsibility, estimates and judgments by Management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an Internal Control Structure are to provide Management with a reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with Management's authorizations and errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure of future period is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant Internal Control Structure, Policies and Procedures in the following categories:

Accounting Controls

- Bank and Cash Controls
- Cash Receipts and Revenue
- Payroll
- Cash Disbursements and Expenditure

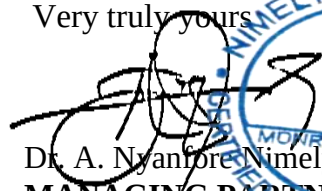


For all of the Internal Control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the Internal Control Structure would not necessarily disclose all matters in the Internal Control Structure that might be of material weaknesses. A material weakness is a reportable condition that represents, in the auditor's judgment, significant deficiencies in the design or operation of the Internal Control Structure that could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of Management in the financial statements. A material weakness or reportable condition may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not note any matter involving the Internal Control Structure and its operation that we consider to be of material weakness during the audit of the current period except for the issues reported to management.

This report is intended for the information of the Board of Directors and the Liberia Institute for the Promotion of Academic Excellence (LIPACE). However, this report is a matter of public record and its distribution is not limited.

Very truly yours


Dr. A. Nyanfore Nimely, CPA
MANAGING PARTNER
December 20, 2025



Dr. A. Nyanfore Nimely, CPA
Managing Partner

+231-886-518-780
+231-770-518-780
Email: nyanforenimely2000@gmail.com

AUDITORS' REPORT ON COMPLIANCE WITH LAW AND REGULATION

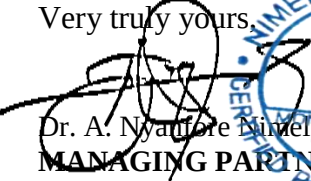
We have audited the accompany fund statement of Management of the LIPACE Liberia for the period September 1, 2024 thru August 31, 2025 and the related statement of Income, Expenditure and Current Fund Balance for the year then and have issued this report thereon.

We conducted our audit in accordance with International Standard of Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with Laws and Regulation are contained in the Financial Policy Manual and the responsibility of the Members of the LIPACE. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of Compliance on these Laws and Regulations. However, the objective of our audit of the financial statement was not to provide an opinion on the overall compliance with Laws and Regulations. Accordingly, we do not express such an opinion.

The results of our tests of compliance with respect to items tested indicate that except for the issues stated in our Management letter, LIPACE has in all material respects, complied with all the Laws and Regulations in the Financial Policy Manual. With respect to items not tested, nothing came to our attention that could cause us to believe that LIPACE has complied, in all material respects, with those Laws and Regulations.

Very truly yours,


Dr. A. Nyanfore Nimely, CPA
MANAGING PARTNER
December 20, 2025



SERVICES AVAILABLE

● **ACCOUNTING** ● **AUDITING** ● **CONSULTANCY**



Nimely & Associates Inc., CPA