

**NAMASTE FOUNDATION**

**(A Nonprofit Corporation)**

***FINANCIAL REPORT***

**DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
**Namaste Foundation**  
**(A Nonprofit Corporation)**  
San Francisco, California

We have audited the accompanying financial statements of **Namaste Foundation (A Nonprofit Corporation)** which comprise of the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

The Foundation's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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 control relevant to the entity's preparation and fair presentation of the financial 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 control. 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 financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Namaste Foundation as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Bowman & Company, LLP*

Stockton, California  
August 04, 2020

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**NAMASTE FOUNDATION**  
**(A Nonprofit Corporation)**

**STATEMENT OF FINANCIAL POSITION**

December 31, 2019

See Independent Auditor's Report

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 98,139
Note receivable	<u>10,000</u>
Total current assets	<u>108,139</u>

**SOFTWARE AND EQUIPMENT, at cost**

Less accumulated depreciation	329,164
	<u>(232,552)</u>
	<u>96,612</u>

**TOTAL ASSETS** \$ 204,751

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued liabilities	\$ <u>239</u>
Total current liabilities	<u>239</u>

**NET ASSETS**

Without donor restriction	<u>204,512</u>
Total net assets	<u>204,512</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 204,751

*See Notes to Financial Statements.*

**NAMASTE FOUNDATION**  
**(A Nonprofit Corporation)**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2019

See Independent Auditor's Report

**Net Assets Without Donor Restrictions**

**REVENUES AND SUPPORT**

Contributions	\$ 237,279
Net assets released from restrictions	35,879
Other income	15,548
Interest income	<u>1,503</u>
Total revenues and support	<u>290,209</u>

**EXPENSES**

Program services	218,199
Fundraising	11,800
Management and general	<u>84,400</u>
Total expenses	<u>314,399</u>

Decrease in net assets without donor restrictions	<u>(24,190)</u>
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**Net Assets With Donor Restrictions**

Net assets released from restrictions	(35,879)
Contributions	<u>24,000</u>

Decrease in net assets with donor restrictions	<u>(11,879)</u>
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<b>Decrease in net assets</b>	<b>(36,069)</b>
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<b>Net assets, beginning of year</b>	<u>240,581</u>
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<b>Net assets, end of year</b>	<b>\$ <u>204,512</u></b>
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*See Notes to Financial Statements.*

**NAMASTE FOUNDATION**  
**(A Nonprofit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2019

See Independent Auditor's Report

	Program Services	Fundraising	Management and General	Total
Direct Grants	\$ 159,420	\$ --	\$ --	\$ 159,420
Salaries	--	--	55,989	55,989
Depreciation & Amortization	22,419	--	276	22,695
Training	1,324	--	15,329	16,653
Microcredit Study Trips	12,972	--	--	12,972
Grant Research	12,303	--	--	12,303
Accounting fees	4,615	--	4,615	9,230
Marketing	--	6,000	--	6,000
Payroll Taxes	--	--	4,170	4,170
Printing and Publications	2,342	1,325	--	3,667
Travel	--	2,462	--	2,462
Miscellaneous	--	1,234	1,084	2,318
In-country management review cost:	2,042	--	--	2,042
Supplies	100	--	1,591	1,691
Computer Expense	557	--	558	1,115
On-line data base	--	756	--	756
Occupancy	--	--	451	451
Telephone and Utilities	105	--	314	419
Postage and Shipping	--	23	23	46
<b>Total</b>	<b>\$ 218,199</b>	<b>\$ 11,800</b>	<b>\$ 84,400</b>	<b>\$ 314,399</b>

*See Notes to Financial Statements.*

**NAMASTE FOUNDATION**  
**(A Nonprofit Corporation)**

**STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2019

See Independent Auditor's Report

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in net assets	\$ (36,069)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	22,695
Donation of marketable securities	(1,025)
Changes in unrestricted assets and liabilities:	
(Decrease) increase in:	
Accrued liabilities	(1,660)
Trip deposits payable	(5,450)
	<u>(21,509)</u>
Net cash used in operating activities	<u>(21,509)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sale of donated marketable securities	1,025
Loan to affiliated organization	<u>(10,000)</u>
	<u>(8,975)</u>
Net cash provided by investing activities	<u>(8,975)</u>
Decrease in cash and cash equivalents	(30,484)
Cash and cash equivalents	
Beginning	<u>128,623</u>
Ending	<u>\$ 98,139</u>

*See Notes to Financial Statements.*

**NAMASTE FOUNDATION  
(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Organization and Significant Accounting Policies**

Namaste Foundation (the Foundation) is A Nonprofit Corporation. The Foundation was organized for the primary purpose of providing charitable, scientific and educational services. The primary project of the Foundation is Namaste Direct. Namaste Direct's purpose is to provide microcredit loan funds with business and vocational training and mentorship for poor entrepreneurs in developing countries.

A summary of significant accounting policies applied in the preparation of the financial statements follows.

Basis of accounting

The Foundation prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Basis of presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The net asset categories are as follows:

Net assets without donor restrictions:

These net assets are presently available for use by the Foundation at the discretion of the Board of Trustees.

Net assets with donor restrictions:

These net assets subject to specific, donor-imposed restrictions that must be met by actions of the Foundation and/or passage of time.



**NAMASTE FOUNDATION  
(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Organization and Significant Accounting Policies (Cont.)**

Cash and cash equivalents

For purposes of reporting the statement of cash flows, the Foundation includes all highly liquid investments, with a maturity of three months or less, as cash on the accompanying statement of financial position.

Property and equipment

The Foundation's policy is to capitalize any additions in excess of \$1,000. Depreciation is computed using straight-line over five years for furniture and equipment.

Fair value of financial instruments

The carrying amount of financial instruments, including cash, accrued liabilities and grants payable, approximate their value due to the short-term maturities of these instruments.

Revenue recognition

Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Income Tax Status

The Organization has been granted tax-exempt status by the Internal Revenue Service under IRC Section 501(c)3 and the California Franchise Tax Board under Section 23701(d). The Organization is classified by the Internal Revenue Service as an other-than-private foundation. Accordingly, no provision for federal or state income taxes is made in the accompanying financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for three years after they were filed.

Allocation of Expenses

The Foundation allocates its expenses on a functional basis among its various program and support services. Expenses which can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on budget allocations or estimates made by the Foundation's management.

**NAMASTE FOUNDATION**  
**(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Organization and Significant Accounting Policies (Cont.)**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. As a result of the pandemic, economic uncertainties have arisen, which are likely to negatively impact the Foundation, though the effects of such potential impact is unknown at this time.

Management has evaluated subsequent events through August 04, 2020, the date the financial statements were available to be issued and other than described above no further subsequent events require disclosure.

**Note 2. Availability and Liquidity**

The balance of cash on the statement of financial position reflects the amount available for general use as there are no contractual or donor imposed restrictions within one year of the balance sheet date. The Foundation does not anticipate the general expenditures to exceed the cash on hand.

Financial assets at year-end:	
Cash and cash equivalent	\$98,139
Notes receivable	<u>10,000</u>
	<u>\$108,139</u>

The Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$75,000). The gross receipts of the Foundation are based on reimbursement of allowable expenses and an indirect cost allocation of administrative expenses. As part of its liquidity plan, the Foundation periodically reviews its operational and capital needs and maintains some of its excess funds in a separate money market account and some in publically traded stock/bond funds.

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**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Restrictions on Net Assets**

The Foundation had net assets with donor restrictions designated for expenditures specifically to the Ganesha – Sir Lanka program. During December 31, 2019, net assets with donor restrictions were all released.

**Note 4. Related Party Transactions**

During the year ended December 31, 2019, the Foundation received contributions of \$65,500 from members of the Board of Trustees.

During the year ended December 31, 2019, the Foundation entered into a zero interest and due on demand note for \$10,000 with Namaste Guatemala.