

**NAMASTE FOUNDATION**

**(A Nonprofit Corporation)**

***FINANCIAL REPORT***

**DECEMBER 31, 2016**

## **C O N T E N T S**

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of financial position	2
Statement of activities	3
Statement of functional expenses	4
Statement of cash flows	5
Notes to financial statements	6 - 8



## 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, 2016, 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, 2016 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 21, 2017

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

**STATEMENT OF FINANCIAL POSITION**

December 31, 2016

See Independent Auditor's Report

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 149,391
Prepaid expenses	<u>6,869</u>
Total current assets	<u>156,260</u>

**SOFTWARE AND EQUIPMENT, at cost**

Less accumulated depreciation	299,164
	<u>(146,735)</u>
	<u>152,429</u>

**TOTAL ASSETS** \$ 308,689

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued liabilities	\$ 4,148
Grant payable	1,298
Trip deposits payable	<u>1,000</u>
Total current liabilities	<u>6,446</u>

**NET ASSETS**

Unrestricted	267,274
Temporarily restricted	<u>34,969</u>
Total net assets	<u>302,243</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 308,689

*See Notes to Financial Statements.*

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

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2016

See Independent Auditor's Report

**Unrestricted Net Assets**

**REVENUES AND SUPPORT**

Contributions	\$ 384,947
Other income	13,755
Interest income	637

Total revenues and support 399,339

**EXPENSES**

Program services	306,638
Management and general	7,209
Fundraising	2,988

Total expenses 316,835

Increase in unrestricted net assets 82,504

**Temporarily Restricted Net Assets**

Contributions (6,845)

Decrease in temporarily restricted net assets (6,845)

**Increase in net assets** 75,659

**Net assets, beginning of year** 226,584

**Net assets, end of year** \$ 302,243

*See Notes to Financial Statements.*

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

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2016

See Independent Auditor's Report

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Direct grants	\$ 240,978	\$ --	\$ --	\$ 240,978
Depreciation and amortization	34,396	276	--	34,672
Microcredit study trips	12,097			12,097
Consulting	9,795	--	--	9,795
Accounting and legal fees	4,543	4,542	--	9,085
In-country management review costs	3,644	--	--	3,644
Miscellaneous	250	348	1,076	1,674
Travel	--	--	1,245	1,245
Telephone and utilities	260	777	--	1,037
Supplies	100	858	--	958
Computer	375	375	--	750
Printing and publications	--	--	634	634
Training	200	--	--	200
Postage and shipping	--	33	33	66
Totals	<u>\$ 306,638</u>	<u>\$ 7,209</u>	<u>\$ 2,988</u>	<u>\$ 316,835</u>

*See Notes to Financial Statements.*

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

**STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2016

See Independent Auditor's Report

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	\$ 75,659
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:	
Depreciation and amortization	34,672
Donation of marketable securities	(5,821)
Donation of Qlik software	(125,000)
Changes in unrestricted assets and liabilities:	
(Increase) decrease in:	
Prepaid expenses	(6,869)
(Decrease) increase in:	
Accrued liabilities	3,455
Trip deposits payable	(2,700)
	<hr/>
Net cash used in operating activities	(26,604)
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of donated marketable securities	5,821
	<hr/>
Net cash provided by investing activities	5,821
	<hr/>
Decrease in cash and cash equivalents	(20,783)
Cash and cash equivalents	
Beginning	170,174
	<hr/>
Ending	\$ 149,391
	<hr/> <hr/>

*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 presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The net asset categories are as follows:

Unrestricted net assets:

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

Temporarily restricted net assets:

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

At December 31, 2016, the Foundation had no permanently restricted net assets.

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.

**NAMASTE FOUNDATION**  
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**NOTES TO FINANCIAL STATEMENTS**

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

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 unrestricted net assets 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. 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 restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets 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.

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

Management has evaluated subsequent events through August 21, 2017, the date the financial statements were available to be issued.

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**NOTES TO FINANCIAL STATEMENTS**

**Note 2. Related Party Transactions**

During the year ended December 31, 2016, the Foundation received contributions of \$65,075 from members of the Board of Trustees.