



Namati, Inc. and Affiliate

Consolidated Financial Statements and Supplementary Information

For the Year Ended December 31, 2020

(With Summarized Financial Information for the Year Ended December 31, 2019)



**and
Report Thereon**



NAMATI, INC. AND AFFILIATE
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Namati, Inc. and Affiliate

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Namati, Inc. (Namati) and Affiliate (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 2020 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Namati, Inc. and Affiliate as of December 31, 2020, 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.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 consolidated financial statements, and our report dated March 12, 2020, expressed an unmodified audit opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedule of revenue and expenses by funder is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Marcum LLP

Washington, DC
March 29, 2021

NAMATI, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2020
(With Summarized Financial Information as of December 31, 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 7,840,776	\$ 3,765,730
Grants and contracts receivable	225,047	379,581
Prepaid expenses and other assets	95,989	98,668
Website costs, net	-	13,081
Deposits	<u>10,911</u>	<u>10,975</u>
TOTAL ASSETS	<u><u>\$ 8,172,723</u></u>	<u><u>\$ 4,268,035</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 358,851</u>	<u>\$ 266,023</u>
TOTAL LIABILITIES	<u>358,851</u>	<u>266,023</u>
Net Assets		
Without donor restrictions		
Undesignated	1,888,455	1,178,593
Board-designated	<u>4,500,000</u>	<u>1,668,712</u>
Total Without Donor Restrictions	6,388,455	2,847,305
With donor restrictions	<u>1,425,417</u>	<u>1,154,707</u>
TOTAL NET ASSETS	<u>7,813,872</u>	<u>4,002,012</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 8,172,723</u></u>	<u><u>\$ 4,268,035</u></u>

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

NAMATI, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

(With Summarized Financial Information for the Year Ended December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
REVENUE AND SUPPORT				
Grants and contracts	\$ 6,153,951	\$ 3,586,479	\$ 9,740,430	\$ 8,344,206
PPP loan forgiveness	451,800	-	451,800	-
Net assets released from restrictions:				
Satisfaction of program restrictions	3,315,769	(3,315,769)	-	-
TOTAL REVENUE AND SUPPORT	9,921,520	270,710	10,192,230	8,344,206
EXPENSES				
Program Services:				
Community land protection	1,527,766	-	1,527,766	1,570,394
Global network	820,531	-	820,531	928,975
Health accountability	171,422	-	171,422	253,812
Global programs	1,026,822	-	1,026,822	970,891
Environmental justice	735,053	-	735,053	712,696
Citizenship	542,768	-	542,768	466,438
Total Program Services	4,824,362	-	4,824,362	4,903,206
Supporting Services:				
Program support	1,153,899	-	1,153,899	1,054,925
Institutional support	402,109	-	402,109	294,455
Total Supporting Services	1,556,008	-	1,556,008	1,349,380
TOTAL EXPENSES	6,380,370	-	6,380,370	6,252,586
CHANGE IN NET ASSETS	3,541,150	270,710	3,811,860	2,091,620
NET ASSETS, BEGINNING OF YEAR	2,847,305	1,154,707	4,002,012	1,910,392
NET ASSETS, END OF YEAR	\$ 6,388,455	\$ 1,425,417	\$ 7,813,872	\$ 4,002,012

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

NAMATI, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020
(With Summarized Financial Information for the Year Ended December 31, 2019)

	Program Services						Supporting Services				2020 Total	2019 Total
	Community Land Protection	Global Network	Health Accountability	Global Programs	Environmental Justice	Citizenship	Total Program Services	Program Support	Institutional Support	Total Supporting Services		
Salaries	\$ 291,295	\$ 502,766	\$ 127,093	\$ 720,237	\$ 173,367	\$ 193,262	\$ 2,008,020	\$ 724,494	\$ 310,339	\$ 1,034,833	\$ 3,042,853	\$ 2,415,701
Subgrants and subcontracts	900,881	108,208	-	18,962	423,750	210,401	1,662,202	-	-	-	1,662,202	1,572,803
Fringe benefits	69,507	119,967	30,326	171,859	41,368	46,115	479,142	172,874	74,051	246,925	726,067	593,542
Consultants and professional fees	174,889	43,393	-	55,410	72,942	29,380	376,014	112,222	912	113,134	489,148	808,093
Office expenses	24,368	22,508	-	14,088	3,561	38,168	102,693	89,946	4,121	94,067	196,760	237,786
Travel	45,789	3,660	13,788	8,996	5,107	20,989	98,329	9,562	2,800	12,362	110,691	456,078
Rent	21,037	10,551	215	33,667	14,958	4,453	84,881	44,801	9,886	54,687	139,568	155,502
Amortization	-	9,478	-	3,603	-	-	13,081	-	-	-	13,081	13,081
TOTAL EXPENSES	\$ 1,527,766	\$ 820,531	\$ 171,422	\$ 1,026,822	\$ 735,053	\$ 542,768	\$ 4,824,362	\$ 1,153,899	\$ 402,109	\$ 1,556,008	\$ 6,380,370	\$ 6,252,586

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

NAMATI, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020
(With Summarized Financial Information for the Year Ended December 31, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,811,860	\$ 2,091,620
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	13,081	13,081
Changes in assets and liabilities:		
Grants and contracts receivable	154,534	437,521
Prepaid expenses and other assets	2,679	48,086
Deposits	64	621
Accounts payable and accrued expenses	92,828	(10,558)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,075,046	2,580,371
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,075,046	2,580,371
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,765,730	1,185,359
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,840,776	\$ 3,765,730

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

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. Organization and Summary of Significant Accounting Policies

Organization

Namati, Inc. (Namati) is a nonprofit organization incorporated under the laws of the State of Delaware on July 12, 2011. Namati was established to implement legal empowerment interventions in partnership with governments and civil society organizations in several countries. Namati cultivates a global community of paralegal practitioners to foster dialogue and tool-sharing. Namati advocates with, and provides technical assistance to, policy-makers and civil society organizations for greater and smarter investments in legal empowerment. In partnership with civil society groups and governments, Namati implements and evaluates innovative interventions along several themes, including environmental justice, community land protection and the accountability of essential public services. Namati also hosts a growing Global Legal Empowerment Network of practitioners and supporters. Members of the Global Legal Empowerment Network share resources and experiences, including research, training materials, monitoring and evaluation tools, case management systems, and advocacy strategies. Network members are active throughout the world, whereas Namati's programs and research focus on exploring the potential for legal empowerment in specific countries, which include Sierra Leone, India, Mozambique, Myanmar, Kenya, the United States and Bangladesh. Namati's activities are funded primarily through grants and contract revenue.

Namati has an office in Kenya. The office in Kenya follows the host country's regulations and, as a result, was incorporated as Namati Kenya, an independent entity, on January 18, 2018. However, as Namati's affiliate, Namati Kenya is dependent on Namati for funding, participates in Namati's activities and decision-making, and carries out the general mission and activities of Namati in Kenya.

Principles of Consolidation

The consolidated financial statements of Namati and Namati Kenya (collectively referred to as the Organization) have been prepared on the accrual basis of accounting and include the accounts of Namati and Namati Kenya. Namati and Namati Kenya have been consolidated due to the presence of control and economic interest, as required under accounting principles generally accepted in the United States of America (GAAP). All intercompany balances and transactions have been eliminated in the consolidation.

Cash Equivalents

The Organization considers all money market funds and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Grants and Contracts Receivable

The Organization records grants and contracts receivable at their estimated net realizable value. The allowance for doubtful accounts is based on various factors, including management's analysis of the collectibility of the accounts and current economic conditions. A provision for doubtful accounts is made when collection of the full amount is no longer probable.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Website Costs and Related Amortization

All assets with a useful life of more than two years and an acquisition cost of \$5,000 or greater are capitalized at cost. Capitalized website costs are recorded at cost less accumulated amortization and impairment losses, if any. Website costs are amortized using the straight-line method over an estimated useful life of three years. Expenditures for major repairs and improvements that extend the useful life of an asset are capitalized, whereas expenditures for minor repairs and maintenance costs are expensed when incurred. Costs incurred in the development of the website are expensed during the preliminary and post-implementation operation stages, including data conversion, training and maintenance costs. Costs incurred during the website development stage are capitalized. In the event that it is no longer probable that expected future economic benefits will be recovered, website costs are written down to estimated recoverable amounts.

Classification of Net Assets

The Organization's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of Namati's operations. From time to time, Namati's Board of Directors (the Board) designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. The Board has designated \$3,500,000 of net assets without donor restrictions to serve as a working capital reserve to secure Namati's long-term financial viability and another \$1,000,000 of net assets without donor restrictions to serve as a program reserve to provide necessary resources for the initiation and continuation of new program initiatives during a time of economic uncertainty.
- Net assets with donor restrictions represent amounts that are specifically restricted by donors or grantors for various programs or for specific periods. These donor restrictions can be temporary in nature in that they will be met by actions of Namati or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2020, Namati had no net assets with donor restrictions that are required to be maintained in perpetuity.

Revenue Recognition

Unconditional grants and contributions are reported as revenue and support in the year in which payments are received and/or unconditional promises are made. Unconditional grants are considered without donor restrictions unless specifically restricted by the grantor. Amounts received that are designated for future periods or restricted by the grantor for specific purposes are reported as revenue and support with donor restrictions. When a grantor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets are reclassified from net assets with donor restriction to net assets without donor restriction and reported in the accompanying consolidated statement of activities as net assets released from restrictions. Unconditional grants that have been committed to the Organization but have not been received as of year-end are reflected as grants and contracts receivable in the accompanying consolidated statement of financial position. Conditional

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

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. Contracts which represent services performed are recognized at the time the services are provided based on deliverables established in the contracts.

Grant Expense Recognition

Unconditional grants are expensed in the year in which the grant commitment is made to the grantee. Grant amounts not transferred immediately to the partner organizations in the year in which the grant commitments are made are recorded as grants payable in the accompanying consolidated statement of financial position. As of December 31, 2020, the Organization had no grants payable. Conditional grants are not included as expenses until such time as the conditions are substantially met.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses directly attributed to specific functional areas of the Organization are reported as expenses of those functional areas. Salaries are allocated to programs and supporting services based on employees' timesheets. Fringe benefits and shared costs (primarily rent) that benefit multiple functional areas have been allocated among the various functional areas based on the actual time and effort expended on those functional areas.

The following is an explanation of certain expense categories presented in the consolidated statements of activities and functional expenses as supporting services:

Program support – This supporting service category includes the functions necessary to secure proper administration of the Organization's programs and the Board, maintain an adequate working environment, and manage financial and budgetary responsibilities of the Organization.

Institutional support – This supporting service category includes the functions necessary to induce potential donors to contribute funds and other resources to the Organization. It also includes costs necessary for the administration of the Organization's operations that do not otherwise qualify to be recorded under program support.

Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts reported in the consolidated financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2020

2. Grants and Contracts Receivable

Grants and contracts receivable of \$225,047 represent net promises to give from various organizations and were all due within one year as of December 31, 2020. All amounts are deemed fully collectible. Accordingly, no allowance for uncollectible grants and contracts receivable has been provided.

3. Conditional Grants

During the year ended December 31, 2020, the Organization awarded several conditional grants totaling \$2,481,277. These grants were contingent upon achievement of certain goals and milestones (barriers) mutually agreed to between the Organization and the grantees. For the year ended December 31, 2020, the Organization recognized \$1,608,664 in grant expense under these grants. As of December 31, 2020, the Organization had not recognized grant expense of \$872,613 related to these conditional grants.

4. Conditional Promises to Give

During the year ended December 31, 2020 and prior years, the Organization was awarded several multiyear conditional grants of which \$13,532,571 has not been recognized as of December 31, 2020, as the Organization's achievement of certain goals and deliverables (barriers) mutually agreed to between the Organization and the donors had not been met. Payments will be made to the Organization at various times through March 31, 2025, upon satisfaction of the conditions.

On May 13, 2020, the Organization received \$451,800 from the Small Business Administration's Paycheck Protection Program (PPP). The Organization elected to account for these funds as a conditional contribution under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Not-for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. As such, the Organization was able to recognize revenue to the extent that conditions were met. During the year ended December 31, 2020, the Organization met the conditions associated with the PPP loan and on December 3, 2020, the associated note was forgiven by the lender and the Small Business Administration. As a result, the Organization recognized \$451,800 as PPP forgiveness in the accompanying consolidated statement of activities.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. Net Assets

Net Assets Without Donor Restrictions

The Organization's net assets without donor restrictions are composed of undesignated amounts and board-designated amounts. As of December 31, 2020, the Organization's net assets without donor restrictions were as follows:

Undesignated	\$ 1,888,455
Board-designated:	
Working capital reserve	3,500,000
Program reserve	<u>1,000,000</u>
Total Net Assets Without Donor Restrictions	<u>\$ 6,388,455</u>

Net Assets With Donor Restrictions

As of December 31, 2020, net assets with donor restrictions were restricted for the following purposes:

Subject to expenditure for specified purpose:	
Community land protection:	\$ 282,502
Global programs	755,622
Environmental justice	137,775
Citizenship	<u>174,518</u>
Total Subject to Expenditure for Specified Purpose	1,350,417
Subject to occurrence of specified events/passage of time:	
Total Subject to Passage of Time	<u>75,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,425,417</u>

6. Concentration of Credit Risk

The Organization maintains its cash and cash equivalents with a certain commercial financial institution, which aggregate balance may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2020, the Organization's cash balances exceeded the maximum limit insured by the FDIC by approximately \$7,560,000. The Organization monitors the creditworthiness of the institution and has not experienced any credit losses on its cash and cash equivalents.

In addition, the Organization has operations in Kenya, and holds cash accounts in Kenya which are uninsured. As of December 31, 2020, cash balances in Kenya totaled approximately \$32,000, representing approximately 0.4% of the Organization's total assets.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2020

7. Commitments, Risks and Contingencies

Office Leases

On September 14, 2017, Namati entered into a noncancelable operating lease for office space for its headquarters in Washington, D.C. The lease term is for the period November 1, 2017, through January 31, 2023. The lease provides for three months of rent abatement, and contains a fixed escalation clause for increases in the annual minimum rent.

Effective January 1, 2019, Namati Kenya entered into a noncancelable operating lease for an office space for its headquarters in Nairobi, Kenya. The lease term is for the period January 1, 2019 through March 31, 2024. The lease contains a fixed escalation clause for increases in the annual minimum rent.

Under GAAP, all fixed rent increases, less any rental abatements, are recognized on a straight-line basis over the term of the lease. The difference between rent paid and that expensed is reflected in accounts payable and accrued expenses in the accompanying consolidated statement of financial position.

The future minimum rental payments required under these operating leases, as of December 31, 2020, were as follows:

For the Year Ending December 31,	
2021	\$ 131,344
2022	134,325
2023	23,526
2024	<u>3,330</u>
Total	<u>\$ 292,525</u>

Rent expense under these leases totaled \$139,568 for the year ended December 31, 2020.

Risks and Uncertainties

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic that continues to spread throughout the world. The Organization is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread, in addition to the impact on its employees. The Organization has been able to continue operations in a remote environment; however, at this point, the extent to which COVID-19 will impact the Organization's financial condition or result of operations is uncertain and being evaluated by management and the Board.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

8. Availability and Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures at December 31, 2020, were as follows:

Cash and cash equivalents	\$ 7,840,776
Grants and contracts receivable	<u>225,047</u>
Total Financial Assets Available as of December 31, 2020	8,065,823
Less:	
Board-designated for working capital reserve and new special initiative	<u>(4,500,000)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 3,565,823</u>

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a regular basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. Additionally, the Organization has board-designated net assets that could be available for current operations with Board approval, if necessary.

9. Major Grantors

For the year ended December 31, 2020, the Organization recognized revenue of approximately \$6,673,016 from four donors, which is approximately 65% of the Organization's total revenue and support.

10. Pension Plan

The Organization sponsors a 401(k) defined contribution plan (the Plan) for retirement benefits for its employees. Employees who are at least 21 years of age are eligible to participate in the Plan immediately upon employment and become eligible for the employer contribution after three months of service. The Organization matches employee contributions up to 5% of an employee's annual compensation. Employees are 100% vested in the employer portion of their accounts after one year of service. When an eligible employee leaves the Organization, unvested funds are reallocated to the other participants as part of the Organization's contribution to the Plan for the year. Total pension expense was \$214,520 for the year ended December 31, 2020.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2020

11. Related Party Transactions

A member of the Board, who is also Namati's President, serves as a member of the Board of Directors for Namati Sierra Leone. Namati made grants totaling \$635,000 to Namati Sierra Leone during the year ended December 31, 2020. It is Namati's policy for a Board member to recuse himself or herself from voting on any proposed grant to an organization of which he or she is also a board member or officer.

12. Income Taxes

Namati is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required for the year ended December 31, 2020, as Namati had no net unrelated business income. In addition, Namati Kenya is subject to local taxes in the jurisdictions in which it operates. All local taxes required by Kenyan laws have been accrued as of December 31, 2020 in the amount of \$1,480 and included in office expenses in the accompanying statement of functional expenses.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization evaluated its uncertainty in income taxes for the year ended December 31, 2020, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status, and there currently no audits for any open tax periods pending or in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax expense. As of December 31, 2020, the Organization had no accruals for interest and/or penalties.

13. Summarized Financial Information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional area. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Namati's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

14. Subsequent Events

In the preparation of the consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 29, 2021, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

NAMATI, INC. AND AFFILIATE

SCHEDULE OF REVENUE AND EXPENSES BY FUNDER
For the Year Ended December 31, 2020

	American Jewish World Service	Department for International Development	Department of State	Foundation to Promote Open Society	International Development Research Centre	Luminate Foundation	Foreign Commonwealth Development Office	Mott Foundation	New York University	New Venture Fund	Nubian Rights Forum VOICE
REVENUE AND SUPPORT											
Grants and contracts	\$ 30,000	\$ 1,073,016	\$ 183,763	\$ 3,200,000	\$ 204,382	\$ 57,440	\$ 52,324	\$ 300,000	\$ 29,138	\$ 40,490	\$ 14,741
PPP loan forgiveness	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	30,000	1,073,016	183,763	3,200,000	204,382	57,440	52,324	300,000	29,138	40,490	14,741
EXPENSES											
Salaries	20,353	278,922	23,311	570,827	63,711	30,741	2,906	131,024	25,865	14,531	4,971
Fringe benefits	4,857	66,555	5,562	136,208	15,202	7,335	693	31,264	6,172	3,467	1,187
Consultants and professional fees	-	103,544	58,753	71,716	19,263	4,144	-	-	6,111	5,600	-
Travel	-	14,179	4,781	24,047	1,651	1,377	-	-	-	2,315	3,610
Other direct costs	-	28,870	9,561	79,757	3,770	317	26	1,751	-	269	4,973
Subgrants and subcontracts	-	449,172	69,573	78,578	108,297	24,928	24,358	71,512	-	9,593	-
Program support	4,790	131,774	12,222	(336,402)	20,281	-	3,918	6,399	-	4,715	-
TOTAL EXPENSES	30,000	1,073,016	183,763	624,731	232,175	68,842	31,901	241,950	38,148	40,490	14,741
CHANGE IN NET ASSETS	\$ -	\$ -	\$ -	\$ 2,575,269	\$ (27,793)	\$ (11,402)	\$ 20,423	\$ 58,050	\$ (9,010)	\$ -	\$ -

See independent auditors' report on supplementary information.

NAMATI, INC. AND AFFILIATE
SCHEDULE OF REVENUE AND EXPENSES BY FUNDER
For the Year Ended December 31, 2020

(continued)

	Omidyar Network Fund	Robert Wood Johnson Foundation	Stichting SED Fund	International Institute for Environment and Development	The 11th Hour Project	Target Foundation	Tinker Foundation	William and Flora Hewlett Foundation	Anonymous	Other Revenues	Total
REVENUE AND SUPPORT											
Grants and contracts	\$ 240,000	\$ -	\$ 125,000	\$ 121,186	\$ -	\$ 900,000	\$ 85,000	\$ 1,500,000	\$ 255,000	\$ 1,328,950	\$ 9,740,430
PPP loan forgiveness	-	-	-	-	-	-	-	-	-	451,800	451,800
TOTAL REVENUE AND SUPPORT	240,000	-	125,000	121,186	-	900,000	85,000	1,500,000	255,000	1,780,750	10,192,230
EXPENSES											
Salaries	38,065	157,173	-	9,581	-	175,502	37,458	972,171	89,776	395,965	3,042,853
Fringe benefits	9,082	37,504	-	2,286	-	41,877	8,938	231,974	21,421	94,483	726,067
Consultants and professional fees	2,174	38,826	-	11,030	80	6,000	1,454	143,267	7,069	10,117	489,148
Travel	4,637	2,029	-	-	-	-	-	16,693	3,080	32,292	110,691
Other direct costs	11,867	17,284	-	606	-	11,171	20	143,267	5,184	30,716	349,409
Subgrants and subcontracts	107,124	69,750	115,000	82,800	92,500	65,450	14,850	(7,372)	77,980	208,109	1,662,202
Program support	31,131	38,708	-	14,883	16,664	-	12,060	-	38,857	-	-
TOTAL EXPENSES	204,080	361,274	115,000	121,186	109,244	300,000	74,780	1,500,000	243,367	771,682	6,380,370
CHANGE IN NET ASSETS	\$ 35,920	\$ (361,274)	\$ 10,000	\$ -	\$ (109,244)	\$ 600,000	\$ 10,220	\$ -	\$ 11,633	\$ 1,009,068	\$ 3,811,860

See independent auditors' report on supplementary information.