



## **Namati, Inc. and Affiliate**

# **Consolidated Financial Statements and Supplementary Information**

*For the Year Ended December 31, 2024*

*(With Summarized Financial Information for the Year Ended December 31, 2023)*



**and  
Report Thereon**



**NAMATI, INC. AND AFFILIATE**  
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**For the Year Ended December 31, 2024**

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## **Independent Auditors' Report**

The Board of Directors  
**Namati, Inc. and Affiliate**  
**Washington, DC**

### ***Opinion***

We have audited the consolidated financial statements of Namati, Inc. (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities 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 auditors' 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 GAAS 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 GAAS, 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 the Organization's 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 the Organization's 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 2024 schedule of revenue and expenses by funder on pages 19-21 is presented for the purpose of additional analysis and is not a required part of the 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 financial statements. The 2024 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Matter**

### ***Report on Summarized Comparative Information***

The financial statements of Namati, Inc. and Affiliate as of and for the year ended December 31, 2023 were audited by Marcum LLP, whose report dated March 25, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***CBIZ CPAs P.C.***

Washington, DC  
March 20, 2025

**NAMATI, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**December 31, 2024**

**(With Summarized Financial Information as of December 31, 2023)**

	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,763,038	\$ 13,335,770
Grants and contributions receivable	1,472,573	947,478
Prepaid expenses and other assets	120,756	119,726
Investments	32,694,164	31,382,776
Website costs, net	39,317	87,800
Operating right of use asset	456,772	503,710
Deposits	13,723	13,146
<b>TOTAL ASSETS</b>	<b>\$ 44,560,343</b>	<b>\$ 46,390,406</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 841,478	\$ 643,223
Operating lease liability	434,224	514,221
<b>TOTAL LIABILITIES</b>	<b>1,275,702</b>	<b>1,157,444</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	14,519,332	14,862,980
Board-designated	22,500,000	22,500,000
<b>Total Without Donor Restrictions</b>	<b>37,019,332</b>	<b>37,362,980</b>
With donor restrictions	6,265,309	7,869,982
<b>TOTAL NET ASSETS</b>	<b>43,284,641</b>	<b>45,232,962</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 44,560,343</b>	<b>\$ 46,390,406</b>

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, 2024**

**(With Summarized Financial Information for the Year Ended December 31, 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 3,847,587	\$ 6,974,245	\$ 10,821,832	\$ 14,185,624
Investment income	1,786,687	138,251	1,924,938	2,380,581
In-kind contribution	3,295	-	3,295	5,500
Other income	-	-	-	508
Net assets released from restrictions:				
Satisfaction of program restrictions	8,717,169	(8,717,169)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>14,354,738</b>	<b>(1,604,673)</b>	<b>12,750,065</b>	<b>16,572,213</b>
<b>EXPENSES</b>				
Program Services:				
Land, environment and climate	4,923,555	-	4,923,555	3,469,229
Grassroots justice network	3,217,832	-	3,217,832	3,066,401
Citizenship	1,323,382	-	1,323,382	1,173,488
Global programs	983,726	-	983,726	1,661,116
Health accountability	690,367	-	690,367	380,259
<b>Total Program Services</b>	<b>11,138,862</b>	<b>-</b>	<b>11,138,862</b>	<b>9,750,493</b>
Supporting Services:				
Program support	3,070,880	-	3,070,880	2,685,878
Fundraising	488,644	-	488,644	353,167
<b>Total Supporting Services</b>	<b>3,559,524</b>	<b>-</b>	<b>3,559,524</b>	<b>3,039,045</b>
<b>TOTAL EXPENSES</b>	<b>14,698,386</b>	<b>-</b>	<b>14,698,386</b>	<b>12,789,538</b>
<b>CHANGE IN NET ASSETS</b>	<b>(343,648)</b>	<b>(1,604,673)</b>	<b>(1,948,321)</b>	<b>3,782,675</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>37,362,980</b>	<b>7,869,982</b>	<b>45,232,962</b>	<b>41,450,287</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 37,019,332</b>	<b>\$ 6,265,309</b>	<b>\$ 43,284,641</b>	<b>\$ 45,232,962</b>

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, 2024**  
**(With Summarized Financial Information for the Year Ended December 31, 2023)**

	Program Services					Supporting Services					
	Land environment and climate	Grassroots justice network	Citizenship	Global programs	Health accountability	Total Program Services	Program Support	Fundraising	Total Supporting Services	2024 Total	2023 Total
Salaries	\$ 1,284,859	\$ 1,018,462	\$ 322,420	\$ 676,691	\$ 166,449	\$ 3,468,881	\$ 1,970,238	\$ 327,703	\$ 2,297,941	\$ 5,766,822	\$ 4,926,620
Subgrants and subcontracts	2,197,788	1,590,176	531,997	-	471,497	4,791,458	-	-	-	4,791,458	4,018,070
Fringe benefits	316,977	251,256	79,542	166,941	41,063	855,779	483,938	80,845	564,783	1,420,562	1,155,489
Travel	516,946	129,182	298,541	22,793	9,353	976,815	87,194	34,234	121,428	1,098,243	886,923
Consultants and professional fees	488,656	146,034	34,099	50,910	-	719,699	266,359	30,997	297,356	1,017,055	1,070,172
Other costs	97,945	75,934	51,338	50,712	1,892	277,821	243,072	11,984	255,056	532,877	609,765
Rent	20,384	6,788	5,445	15,679	113	48,409	20,079	2,881	22,960	71,369	122,499
<b>TOTAL EXPENSES</b>	<b>\$ 4,923,555</b>	<b>\$ 3,217,832</b>	<b>\$ 1,323,382</b>	<b>\$ 983,726</b>	<b>\$ 690,367</b>	<b>\$ 11,138,862</b>	<b>\$ 3,070,880</b>	<b>\$ 488,644</b>	<b>\$ 3,559,524</b>	<b>\$ 14,698,386</b>	<b>\$ 12,789,538</b>

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, 2024**

**(With Summarized Financial Information for the Year Ended December 31, 2023)**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,948,321)	\$ 3,782,675
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Amortization of website costs	48,483	48,483
Amortization of operating right-of-use asset	46,938	27,684
Unrealized gain on investments	(154,076)	(1,314,396)
Changes in assets and liabilities:		
Grants and contributions receivable	(525,095)	(115,146)
Prepaid expenses and other assets	(1,030)	(68,204)
Deposits	(577)	(2,271)
Operating lease liability	(79,997)	(17,173)
Accounts payable and accrued expenses	<u>198,255</u>	<u>104,759</u>
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(2,415,420)</u>	<u>2,446,411</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of website costs	-	(117,950)
Purchase of investments	(5,991,969)	(55,382,874)
Sale of investments	<u>4,834,657</u>	<u>30,846,780</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(1,157,312)</u>	<u>(24,654,044)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(3,572,732)</u>	<u>(22,207,633)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>13,335,770</u>	<u>35,543,403</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 9,763,038</u></u>	<u><u>\$ 13,335,770</u></u>

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, 2024**

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#### **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 on January 18, 2018. However, as Namati's local office, 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 Contributions Receivable**

The Organization records grants and contributions 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, 2024

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

##### **Investments**

Investments consist of money market funds and obligations of U.S. government agencies and government sponsored entities. These investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investments also include investment funds considered to be alternative investment funds, as they are not traded in established markets with published values. Access to participation in these funds is limited and at the fund's discretion and approval, and liquidation of the Organization's interests may be subject to various restrictions imposed by fund managers.

The alternative investment funds consist of private equity funds structured as limited partnerships. These investments are recorded in the accompanying consolidated financial statements at fair value, as provided by the investment managers. The Organization has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards, Fair Value Measurement (Topic 820): *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which permits, as a practical expedient, the fair value of certain alternative investments within its scope to be estimated using net asset value (NAV) or its equivalent as reported by the investee.

Because of the inherent uncertainty of the valuation of each of the Organization's alternative investment funds, the values used for these investments may differ significantly from the value that would have been used had a ready market for the investments existed.

The change in unrealized appreciation or depreciation of investments is included in investment income in the accompanying consolidated statement of activities. Realized gains and losses on sales of investments are computed on an average cost method and are recorded on the trade date of the transaction and included in investment income in the accompanying consolidated statement of activities.

##### **Fair Value Measurement**

In accordance with generally accepted accounting principles (GAAP), the Organization has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the

## NAMATI, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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

##### **Fair Value Measurement (continued)**

categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument. Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

##### **Level 1**

Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access. This classification is applied to any investment of the Organization that has a readily available quoted market price from an active market where there is significant transparency in the executed/quoted market price.

##### **Level 2**

Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

##### **Level 3**

Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. This classification is applied to investments of the Organization for which there is no established trading market.

The Organization uses NAV per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

As of December 31, 2024, the Organization's assets and liabilities which were measured at fair value on a recurring basis and subject to the disclosure requirements of the fair value measurements and disclosures topic of the FASB Accounting Standards Codification (ASC) include only its investments, as described in Note 4 of these consolidated financial statements.

##### **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.

## NAMATI, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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

##### **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 \$7,500,000 of net assets without donor restrictions to serve as a working capital reserve to secure Namati's long-term financial viability. The Board has also designated \$15,000,000 for the purpose of investing and generating ongoing operation funds.
- 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, 2024, 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 contributions receivable in the accompanying consolidated statement of financial position.

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.

##### **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, 2024, the Organization had no grants payable. Conditional grants are not included as expenses until such time as the conditions are substantially met.

## NAMATI, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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

##### **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.

#### 2. Grants and Contributions Receivable

Grants and contributions receivable of \$1,472,573 represent net promises to give from various organizations and are all due within one year as of December 31, 2024. All amounts are deemed fully collectible. Accordingly, no allowance for uncollectible grants and contributions receivable has been provided.

During the year ended December 31, 2024 and prior years, the Organization was awarded several multiyear conditional grants of which \$13,789,822 has not been recognized as of December 31, 2024, 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 September 30, 2030, upon satisfaction of the conditions.

# NAMATI, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 3. Conditional Grants

During the year ended December 31, 2024, the Organization awarded several conditional grants of which \$3,636,712 has not been recognized as grant expense as of December 31, 2024 as these grants were contingent upon achievement of certain goals and milestones (barriers) mutually agreed to between the Organization and the grantees.

### 4. Investments and Fair Value Measurement

Investments at fair value consisted of the following as of December 31, 2024:

Obligations of U.S. government agencies and government-sponsored entities	\$ 17,910,137
Money market funds	12,316,934
Private Equity funds	<u>2,467,093</u>
Total Investments	<u>\$ 32,694,164</u>

The following table summarizes the Organization's investments at fair value as of December 31, 2024:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Obligations of U.S. government agencies and government-sponsored entities	\$ 17,910,137	\$ -	\$ 17,910,137	\$ -
Money market funds	<u>12,316,934</u>	<u>12,316,934</u>	<u>-</u>	<u>-</u>
Total	30,227,071	<u>\$ 12,316,934</u>	<u>\$ 17,910,137</u>	<u>\$ -</u>
Alternative investments <sup>(a)</sup>	<u>2,467,093</u>			
Total Investments	<u>\$ 32,694,164</u>			

<sup>(a)</sup> These investments are measured at NAV as a practical expedient and have not been classified within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

## NAMATI, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 4. Investments and Fair Value Measurement (continued)

Under the provisions of the accounting standards on fair value measurement, the applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

*U.S. obligations and money market funds* – Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated using pricing models, such as matrix pricing, quoted prices of securities with similar characteristics or discounted cash flows. These instruments, which would generally be classified within Level 2 of the valuation hierarchy, include U.S. and corporate obligations.

*Alternative investment funds* – Alternative investments include private equity funds in the form of interests in limited partnerships, which are valued using significant unobservable inputs, are subject to certain restrictions and generally have no established trading market. Fair value is determined based on the Fund's NAV or its equivalent, as provided by the Fund's management using a variety of methodologies relevant to the particular investment portfolio that combine primary market data available from national securities exchanges for underlying securities that are actively traded, as well as other factors. Investments for Namati Inc. are in private equity funds whose strategies include, but are not limited to, direct and indirect company co-investments, buyouts, public-to-private transactions, and strategic and growth capital investments. Namati's alternative investments require a notice period of 3 to 30 days period between when a request to withdraw the funds is made and when the funds are sent. There were no unfunded capital commitments as of December 31, 2024.

#### 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, 2024, the Organization's net assets without donor restrictions were as follows:

Undesignated	\$ 14,519,332
Board-designated for investing to support ongoing operations	15,000,000
Board-designated for working capital reserve	<u>7,500,000</u>
Total Net Assets Without Donor Restrictions	<u>\$ 37,019,332</u>

## NAMATI, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 5. Net Assets (continued)

##### **Net Assets With Donor Restrictions**

As of December 31, 2024, net assets with donor restrictions were restricted for the following purposes:

Subject to expenditure for specified purpose:

Land, Environment and Climate	\$ 4,708,187
Grassroots justice network	560,001
Global programs	452,795
Citizenship	351,783
Health Accountability	<u>192,543</u>

Total Net Assets With Donor Restrictions	<u>\$ 6,265,309</u>
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#### 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. The Organization maintains an overnight sweep account on its main checking account so as of December 31, 2024, the Organization's cash balances did not exceed the maximum limit insured by the FDIC. The Organization monitors the credit worthiness 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, 2024, cash balances in Kenya totaled approximately \$18,000, representing less than 1% of the Organization's total assets.

#### 7. Commitments, Risks and Contingencies

##### **Operating Leases**

On September 14, 2017, Namati Inc. 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. On December 15, 2022, Namati Inc. entered into a lease amendment to extend the lease term to September 30, 2028. The base monthly rent is \$9,603 and escalates by 2.5% on an annual basis. The amended lease includes an incentive to abate the rent for the first two months every year throughout the lease period.



**NAMATI, INC. AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

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7. Commitments, Risks and Contingencies (continued)

**Operating Leases (continued)**

Per terms of the lease agreement, there is a tenant improvement allowance of \$58,720. Under the terms of the agreement, any unused allowance as of February 1, 2024 may be applied to the base rent due starting on February 1, 2024, 25% starting on February 1, 2024 and the remaining 75% starting February 1, 2026. During the year ended December 31, 2024, the Organization utilized \$23,398 of the improvement allowance towards office repairs and improvements. The Organization is still determining how the remaining balance of allowance will be used. Therefore, the Organization has included the allowance in its calculations to determine the right of use asset and the related liability.

On December 14, 2022, Namati Kenya entered into a noncancelable operating lease for office space in Kenya. The lease term is for the period October 1, 2022, through December 31, 2027. The lease contains a fixed escalation clause for increases in the annual minimum rent. The base monthly rent is \$1,620 and escalates by 10% on an annual basis.

ROU assets represent the Organization's right to use underlying assets for the lease terms. Lease liabilities represents the Organization's obligation to make lease payments arising from leases. The ROU asset and lease liability were calculated based on the present value of future lease payments over the lease term. The Organization used the risk-free rate as permitted under ASC 842 for non-public entities, to discount future lease payments. As of December 31, 2024, the Organization's operating right-of-use assets were \$456,772 and operating lease liability was \$434,224.

As of December 31, 2024, future minimum lease payments required under these operating leases were as follows:

For the Year Ending December 31,	
2025	\$ 123,010
2026	82,525
2027	150,472
2028	<u>97,521</u>
Total Lease Payments	453,528
Less: Interest	<u>(19,304)</u>
Present Value of Lease Liability	<u>\$ 434,224</u>

Total rent expense, which includes the Organization's portion of the rent for the operating office lease was \$71,370 for the year ended December 31, 2024. Cash paid for operating leases for the year ended December 31, 2024 totaled \$103,925. There were no noncash investing and financing transactions relating to leasing.

## NAMATI, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 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, 2024, were as follows:

Cash and cash equivalents	\$ 9,763,038
Investments	32,694,164
Grants and contributions receivable	<u>1,472,573</u>
Total Financial Assets	43,929,775
Less:	
Amounts Not Available to Be Used Within One Year:	
Restricted by donor for time and/or purpose	(6,265,309)
Board-designated for investing to support ongoing operations	(15,000,000)
Board-designated for working capital and program reserve	<u>(7,500,000)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 15,164,466</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, 2024, the Organization recognized revenue of approximately \$6,859,000 from seven donors, which is approximately 63% of the Organization's total revenue and support. The organization recognized grant receivables of \$1,000,000 from one donor which is which is approximately 68% of the Organization's total Grants and contributions receivable as of December 31, 2024.

## NAMATI, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 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 \$429,170 for the year ended December 31, 2024.

In addition, the Organization sponsors a retirement plan for the employees working in Namati's Kenya office. The Organization contributes 9% of an eligible employee's monthly salary and the employees are immediately vested in the employer contribution. The Organization contributed \$60,680 to this plan for the year ended December 31, 2024.

#### 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 \$1,161,376 to Namati Sierra Leone during the year ended December 31, 2024. 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.

On October 12, 2021, Namati established Namati Action, Inc., a 501(c)(4) organization, to advance social and environmental and social justice through legislative and policy advocacy. During the year ended December 31, 2024, Namati Action, Inc. had limited transactions related to programmatic and operational activities of the organization.

#### 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, 2024, 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, 2024 in the amount of \$27,935 and included in office expenses in the accompanying consolidated 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.

## **NAMATI, INC. AND AFFILIATE**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024**

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#### **12. Income Taxes (continued)**

The Organization evaluated its uncertainty in income taxes for the year ended December 31, 2024, 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 are 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, 2024, 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 consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

#### **14. Reclassifications**

Certain 2023 amounts have been reclassified between accounts on the statement of functional expenses to conform to the 2024 consolidated financial statement presentation.

#### **15. Subsequent Events**

In the preparation of the consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 20, 2025, 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, 2024**

	American Council of Learned Societies	Climate Works Foundation	Department of Foreign Affairs, Trade and Development, Canada	Evenlode Investment Management Limited	Ford Foundation	Generation Foundation	Hampshire Foundation	Henry Luce Foundation	International Development Research Centre
REVENUE AND SUPPORT									
Grants and contributions	\$ -	\$ -	\$ 387,326	\$ 38,539	\$ 400,000	\$ -	\$ 200,000	\$ -	\$ -
Investment income	-	-	1,100	-	-	-	-	-	42,142
In-kind contribution	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	-	-	388,426	38,539	400,000	-	200,000	-	42,142
EXPENSES									
Salaries	45,434	69,413	138,764	-	160,423	16,570	66,379	63,739	211,143
Subgrants and subcontracts	-	43,242	41,560	63,289	-	-	-	-	358,660
Fringe benefits	11,208	17,124	34,233	-	39,577	4,088	16,376	15,724	52,089
Travel	-	23,127	56,138	-	-	11,551	53,220	78,889	4,101
Consultants and professional fees	-	75,854	72,184	-	-	-	34,295	22,441	29,180
Other costs	-	407	10,117	-	-	4,588	2,617	3,440	2,002
Program support	-	45,833	42,360	-	-	7,359	34,578	35,004	85,433
TOTAL EXPENSES	56,642	275,000	395,356	63,289	200,000	44,156	207,465	219,237	742,608
CHANGE IN NET ASSETS	<u>\$ (56,642)</u>	<u>\$ (275,000)</u>	<u>\$ (6,930)</u>	<u>\$ (24,750)</u>	<u>\$ 200,000</u>	<u>\$ (44,156)</u>	<u>\$ (7,465)</u>	<u>\$ (219,237)</u>	<u>\$ (700,466)</u>

See independent auditors' report on supplementary information.

**NAMATI, INC. AND AFFILIATE**  
**SCHEDULE OF REVENUE AND EXPENSES BY FUNDER**  
**For the Year Ended December 31, 2024**

(continued)

	International Institute for Environment & Development	JPB Foundation	Korean International Cooperation Agency	Luminate Foundation	Mott Foundation	Nathan Cumimings Foundation	Nubian Rights Forum Voice	Packard Foundation	Silicon Valley Community Foundation
REVENUE AND SUPPORT									
Grants and contributions	\$ 1,038,965	\$ 1,200,000	\$ 759,237	\$ -	\$ 200,000	\$ 100,000	\$ 4,468	\$ -	\$ -
Investment income	120	52,339	10,844	-	-	-	-	-	-
In-kind contribution	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	1,039,085	1,252,339	770,081	-	200,000	100,000	4,468	-	-
EXPENSES									
Salaries	104,031	185,700	179,985	86,928	73,951	66,154	-	39,731	5,602
Subgrants and subcontracts	702,994	424,575	396,170	39,954	149,240	-	-	-	-
Fringe benefits	25,665	45,813	44,403	21,445	18,244	16,320	-	9,802	1,382
Travel	35,791	7,876	117,190	66,202	20,442	-	2,664	-	17,386
Consultants and professional fees	36,314	39,633	17,021	11,103	24,493	-	-	-	-
Other costs	9,228	14,734	17,474	18,147	9,158	728	-	-	630
Program support	127,963	136,483	115,837	57,094	27,645	16,641	-	9,907	-
TOTAL EXPENSES	1,041,986	854,814	888,080	300,873	323,173	99,843	2,664	59,440	25,000
CHANGE IN NET ASSETS	<u>\$ (2,901)</u>	<u>\$ 397,525</u>	<u>\$ (117,999)</u>	<u>\$ (300,873)</u>	<u>\$ (123,173)</u>	<u>\$ 157</u>	<u>\$ 1,804</u>	<u>\$ (59,440)</u>	<u>\$ (25,000)</u>

See independent auditors' report on supplementary information.

**NAMATI, INC. AND AFFILIATE**  
**SCHEDULE OF REVENUE AND EXPENSES BY FUNDER**  
**For the Year Ended December 31, 2024**

(continued)

	Target Foundation	The Christensen Fund	The Institute of International Education	The William & Flora Hewlett Foundation	Tides Foundation	Other Revenues	W.K. Kellogg Foundation	Anonymous	Total
REVENUE AND SUPPORT									
Grants and contributions	\$ -	\$ 200,000	\$ 14,350	\$ 1,000,000	\$ 200,000	\$ 2,019,947	\$ 2,500,000	\$ 559,000	\$ 10,821,832
Investment income	31,706	-	-	-	-	1,786,687	-	-	1,924,938
In-kind contribution	-	-	-	-	-	3,295	-	-	3,295
Other income	-	-	-	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	31,706	200,000	14,350	1,000,000	200,000	3,809,929	2,500,000	559,000	12,750,065
EXPENSES									
Salaries	177,358	59,872	-	401,058	55,641	2,687,652	768,106	103,188	5,766,822
Subgrants and subcontracts	-	15,033	-	150,000	-	1,352,284	961,201	93,256	4,791,458
Fringe benefits	43,755	14,770	-	98,942	13,727	660,925	189,493	25,457	1,420,562
Travel	54	50,075	14,350	-	-	309,518	160,064	69,605	1,098,243
Consultants and professional fees	-	4,243	-	-	-	491,922	152,686	5,686	1,017,055
Other costs	-	5,625	-	-	-	491,522	10,433	3,396	604,246
Program support	44,233	13,604	-	-	-	(1,205,297)	380,170	25,153	-
TOTAL EXPENSES	265,400	163,222	14,350	650,000	69,368	4,788,526	2,622,153	325,741	14,698,386
CHANGE IN NET ASSETS	<u>\$ (233,694)</u>	<u>\$ 36,778</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 130,632</u>	<u>\$ (978,597)</u>	<u>\$ (122,153)</u>	<u>\$ 233,259</u>	<u>\$ (1,948,321)</u>

See independent auditors' report on supplementary information.