

National Domestic Workers Alliance, Inc.

Financial Statements
December 31, 2021

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National Domestic Workers Alliance, Inc.

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Independent Auditors' Report

**To the Board of Directors
National Domestic Workers Alliance, Inc.**

Opinion

We have audited the accompanying financial statements of National Domestic Workers Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Domestic Workers Alliance, Inc. as of December 31, 2021, and the changes in 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Domestic Workers Alliance, Inc. 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 National Domestic Workers Alliance, Inc.'s ability to continue as a going concern within 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 National Domestic Workers Alliance, Inc.'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 National Domestic Workers Alliance, Inc.'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.

Report on Summarized Comparative Information

We have previously audited National Domestic Workers Alliance, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mazars USA LLP

August 9, 2022

National Domestic Workers Alliance, Inc.

Statements of Financial Position

December 31, 2021

(With summarized comparative amounts as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 23,287,069	\$ 16,465,579
Investments, other	1,523,366	1,516,545
Investments, at fair value	12,903,266	2,564,813
Contributions receivable	12,288,787	17,120,067
Due from affiliates	944,171	2,192,906
Prepaid expenses	127,440	660,235
Property and equipment, net	249,296	214,340
Other assets	110,813	89,741
	<u>51,434,208</u>	<u>40,824,226</u>
Total assets	<u>\$ 51,434,208</u>	<u>\$ 40,824,226</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,328,782	\$ 1,140,031
Grants payable	100,000	530,000
Due to affiliates - Fair Care Labs LLC	-	1,370,049
	<u>2,428,782</u>	<u>3,040,080</u>
Total liabilities	<u>2,428,782</u>	<u>3,040,080</u>
Commitments		
Net Assets		
Without donor restrictions	9,553,056	8,417,428
With donor restrictions	39,452,370	29,366,718
	<u>49,005,426</u>	<u>37,784,146</u>
Total net assets	<u>49,005,426</u>	<u>37,784,146</u>
Total liabilities and net assets	<u>\$ 51,434,208</u>	<u>\$ 40,824,226</u>

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

National Domestic Workers Alliance, Inc.

Statements of Activities

Year Ended December 31, 2021

(With summarized comparative amounts for the Year Ended December 31, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>	<u>Total 2020</u>
Revenue and other support				
Contributions	\$ 2,913,730	\$ 42,978,493	\$ 45,892,223	\$ 77,810,645
Forgiveness of debt - PPP Loan	1,900,000	-	1,900,000	-
Program fees	110,206	-	110,206	77,809
Honoraria and other income	122,996	-	122,996	215,980
Investment income, net	323,720	-	323,720	199,716
Net assets released from restrictions	32,892,841	(32,892,841)	-	-
Total revenues and other support	<u>38,263,493</u>	<u>10,085,652</u>	<u>48,349,145</u>	<u>78,304,150</u>
Expenses				
Program services	31,867,736	-	31,867,736	55,982,906
Management and general	4,540,609	-	4,540,609	1,886,968
Fundraising	719,520	-	719,520	1,109,695
Total expenses	<u>37,127,865</u>	<u>-</u>	<u>37,127,865</u>	<u>58,979,569</u>
Change in net assets	1,135,628	10,085,652	11,221,280	19,324,581
Net assets, beginning of year	<u>8,417,428</u>	<u>29,366,718</u>	<u>37,784,146</u>	<u>18,459,565</u>
Net assets, end of year	<u>\$ 9,553,056</u>	<u>\$ 39,452,370</u>	<u>\$ 49,005,426</u>	<u>\$ 37,784,146</u>

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

National Domestic Workers Alliance, Inc.

Statements of Functional Expenses

Year Ended December 31, 2021

(With summarized comparative amounts for the Year Ended December 31, 2020)

	Program Services				Management and General	Fundraising	2021 Total	2020 Summarized Total
	Other Programs	Care Fund	Caring Across Generations	Total Program Services				
Salaries	\$ 6,143,204	\$ 32,413	\$ 1,864,919	\$ 8,040,536	\$ 2,281,272	\$ 521,088	\$ 10,842,896	\$ 8,731,255
Payroll taxes and employee benefits	1,326,545	7,516	467,572	1,801,633	1,030,004	117,765	2,949,402	1,992,294
Total personnel costs	7,469,749	39,929	2,332,491	9,842,169	3,311,276	638,853	13,792,298	10,723,549
Grants and subgrants	10,334,422	846,039	605,000	11,785,461	-	-	11,785,461	8,532,461
Direct membership support	-	839,813	-	839,813	-	-	839,813	29,007,769
Consultants	3,273,828	35,424	3,275,879	6,585,131	199,423	52,510	6,837,064	5,068,385
Travel	287,721	-	13,318	301,039	18,247	-	319,286	812,618
Professional fees	10,799	-	858	11,657	129,724	-	141,381	106,910
Marketing and advertising	488,914	-	272,098	761,012	-	-	761,012	550,871
Software, technology and website	639,266	15,970	66,667	721,903	167,726	12,489	902,118	747,835
Office expenses	405,269	5,355	72,579	483,203	206,184	14,615	704,002	1,443,693
Meetings	233,122	-	66,825	299,947	5,960	-	305,907	1,114,276
Occupancy	23,582	-	2,553	26,135	334,705	-	360,840	292,586
Uncollectible contributions	-	-	-	-	-	-	-	5,284
Administration fee	92,132	56,657	2,297	151,086	116,169	-	267,255	305,937
Staff development	17,113	-	32,661	49,774	31,000	1,053	81,827	77,484
Merchant fees	-	-	-	-	-	-	-	-
Other	3,089	-	6,317	9,406	20,195	-	29,601	189,909
Total	<u>\$ 23,279,006</u>	<u>\$ 1,839,187</u>	<u>\$ 6,749,543</u>	<u>\$ 31,867,736</u>	<u>\$ 4,540,609</u>	<u>\$ 719,520</u>	<u>\$ 37,127,865</u>	<u>\$ 58,979,567</u>

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

National Domestic Workers Alliance, Inc.

Statements of Cash Flows

Year Ended December 31, 2021

(With summarized comparative amounts for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 11,221,280	\$ 19,324,581
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Uncollectible pledges	-	5,284
Amortization of discount on pledges	147,119	147,119
Depreciation	23,176	16,099
Unrealized gain on investments	(245,436)	(158,764)
Realized gain (loss) on sale of investments	(93,017)	6,054
Forgiveness of debt - PPP Loan	(1,900,000)	-
Increase (decrease) in cash and cash equivalents attributable to changes in operating assets and liabilities:		
Contributions receivable	4,684,161	(8,556,976)
Prepaid expenses	532,795	328,592
Other assets	(21,072)	(281)
Accounts payable and accrued expenses	1,188,751	445,015
Grants payable	(430,000)	(38,124)
Net cash provided by operating activities	<u>15,107,757</u>	<u>11,518,599</u>
Cash flows from investing activities		
Due from affiliate	1,248,735	(692,244)
Due to affiliates	(1,370,049)	-
Purchase of marketable securities	(17,603,899)	(143,651)
Proceeds from the sale of marketable securities	7,597,078	100,778
Purchase of property and equipment	(58,132)	(151,245)
Net cash used in investing activities	<u>(10,186,267)</u>	<u>(886,362)</u>
Cash flows from financing activities		
Proceeds from PPP Loan	1,900,000	-
Net cash provided by investing activities	<u>1,900,000</u>	<u>-</u>
Net increase in cash and cash equivalents	6,821,490	10,632,237
Cash and cash equivalents		
Beginning of year	<u>16,465,579</u>	<u>5,833,342</u>
End of year	<u>\$ 23,287,069</u>	<u>\$ 16,465,579</u>

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

National Domestic Workers Alliance, Inc.

Notes to Financial Statements Years Ended December 31, 2021 and 2020

1. Nature of Organization

Business Description

The National Domestic Workers Alliance, Inc. ("NDWA") was formed in 2007 at the US Social Forum, and currently represents 60+ affiliates, chapters, and individual workers across the country. NDWA has rapidly emerged as the leading voice for respect, recognition and rights for domestic workers in the United States. Through a variety of organizing, advocacy and base-building strategies, NDWA is winning improved working conditions while building a powerful movement of domestic workers, immigrants, families and supporters rooted in human rights and dignity. NDWA's programs include capacity building with its affiliates; statewide policy campaigns to establish labor standards and enforce existing rights; national campaigns to reform immigration policy and transform the home care industry; national and international movement and alliance-building; workforce development and social innovations; and training and research.

The Internal Revenue Service has determined that NDWA is exempt from Federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly-supported organization as described in Section 170(b)(1) of the Internal Revenue Code.

The organization is funded primarily by contributions.

2. Summary of Significant Accounting Policies

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

NDWA considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

As of December 31, 2021 the Company maintains its cash balances with two major financial institutions. Amounts at the financial institution are insured by the Federal Deposit Insurance Corporation. Balances may exceed insured limits from time to time. As of December 31, 2021, the uninsured balance totaled approximately \$23,034,000.

Investments

Investments are reported at their fair values in the statements of financial position. 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 and losses are included in the statement of activities.

Fair Value of Financial Instruments

NDWA follows the accounting standards for fair value measurement and disclosures for financial assets and liabilities which clarify the definition of fair value, prescribe methods for measuring fair value, establish a fair value hierarchy based on the inputs used to measure fair value and expand disclosure about the use of fair value measurements. The following table presents financial assets that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

National Domestic Workers Alliance, Inc.

Level 1 Fair Value Measurements:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Fair Value Measurements:

Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full-term of the financial instrument.

Level 3 Fair Value Measurements:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investment – Other

Investment – other include certificates of deposit held for investment which have original maturity dates greater than three months and are reported as cost plus accrued interest.

Property and Equipment

Property and equipment are stated at cost. Depreciation of furniture and fixtures is recorded using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized the straight-line method over the term of the lease, or useful life, if shorter. Maintenance and repair expenditures are charged to operations as incurred.

Contributions

NDWA reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, the net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows discounted to fair value using an appropriate interest rate applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give, if any, are not included as support until the conditions are substantially met and are reflected as deferred revenue in the accompanying statement of financial position. There were no conditional pledges reflected as deferred revenue at December 31, 2021 or 2020.

Major Contributors

Two donors accounted for 33% and 22% of total revenue for the year ended December 31, 2021 and 2020, respectively. Three donors accounted for 55% and 60% of contributions receivable as of December 31, 2021 and 2020, respectively.

Grants Payable

Grants awarded are recorded in the period the grant is approved by the board of directors.

Net Assets

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. The Board may designate a portion of these net assets for a specific purpose which makes them unavailable for use at management's discretion.

National Domestic Workers Alliance, Inc.

With Donor Restrictions

Net assets with donor restrictions consist of assets where use is limited by the donor-imposed time and / or purpose restrictions. When a donor restriction expires, that is, when a time restriction ends, or purpose restriction is accomplished, the net assets are reclassified to the category of net assets without donor restrictions and reported in the statement of activities and change in net assets, as net assets released from restrictions.

At December 31, 2021, there were no net assets with Board designations. At December 31, 2020, funds totaling \$1,000,000 were designated by the Board for civic engagement programs.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of Management and General costs that benefit multiple functional areas (indirect costs) have been allocated across Programs and Other Supporting Services based on reasonable ratios determined by management based upon utilization of staff time or use of resources.

Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the NDWA's financial statements for the year ended December 31, 2020 from which the summarized financial information was derived.

Reclassifications

Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

3. Contributions Receivable

Contributions receivable include unconditional promises to give as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 10,118,616	\$ 14,646,059
Receivable in one to five years	<u>2,280,000</u>	<u>2,700,000</u>
	12,398,616	17,346,059
Less: discount to present value	<u>(109,829)</u>	<u>(225,992)</u>
	<u>\$ 12,288,787</u>	<u>\$ 17,120,067</u>

Contributions receivable have been discounted over the payment period using discount rates ranging from 0.65%–4.5%.

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4. Investments

Investments consists of the following at December 31, 2021:

	Total	Fair Value Measurement Using		
		Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	\$ 2,317,715	\$ 2,317,715	\$ -	\$ -
Coporate bonds	666,596	-	666,596	-
Mutual funds	2,339,452	2,339,452	-	-
Exchange traded funds	4,814,185	4,814,185	-	-
Money market funds	2,651,286	2,651,286	-	-
Real estate investment trusts	114,032	114,032	-	-
	<u>\$ 12,903,266</u>	<u>\$ 12,236,670</u>	<u>\$ 666,596</u>	<u>\$ -</u>

Investments consists of the following at December 31, 2020:

	Total	Fair Value Measurement Using		
		Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	\$ 487,413	\$ 487,413	\$ -	\$ -
Coporate bonds	576,413	-	576,413	-
Mutual funds	1,268,820	1,268,820	-	-
Exchange traded funds	129,331	129,331	-	-
Money Market funds	102,836	102,836	-	-
	<u>\$ 2,564,813</u>	<u>\$ 1,988,400</u>	<u>\$ 576,413</u>	<u>\$ -</u>

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Common stocks	\$ 2,072,174	\$ 2,317,715	\$ 380,560	\$ 487,413
Coporate bonds	669,006	666,596	565,440	576,413
Mutual funds	2,140,181	2,339,452	1,178,999	1,268,820
Exchange traded funds	4,816,551	4,814,185	106,740	129,331
Money Market funds	2,651,286	2,651,286	102,836	102,836
Other	109,431	114,032	-	-
Total investment	<u>\$ 12,458,629</u>	<u>\$ 12,903,266</u>	<u>\$ 2,334,575</u>	<u>\$ 2,564,813</u>

Investment income for the years ended December 31, 2020 and 2019 is comprised of the following:

	2021	2020
Interest and dividends	\$ 103,578	\$ 55,062
Realized gain (loss)	21,447	(6,054)
Unrealized gain	245,436	158,764
Investment fees	(46,741)	(8,056)
Investment gain	<u>\$ 323,720</u>	<u>\$ 199,716</u>

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5. Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation, as follows:

	Estimated Useful Life	2021	2020
Leashold improvements	term of lease	\$ 6,760	\$ 6,760
Software	5 years	52,900	54,321
Furniture and fixtures	5 years	236,015	176,462
		<u>295,675</u>	<u>237,543</u>
Less: accumulated depreciation		46,379	23,203
		<u>\$ 249,296</u>	<u>\$ 214,340</u>

6. Liquidity and Availability

NDWA's financial assets available within one year of the statement of financial position date for general expenditures is as follows:

December 31,	2021
Cash and cash equivalents	\$ 23,287,069
Contribution receivables, net	12,288,787
Investments	12,903,266
Due from affiliates	944,171
Financial assets available	<u>49,423,293</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Receivables restricted by donors with respect to purpose	23,464,860
Receivables restricted by donors with respect to time	2,280,000
Net assets restricted by donors	<u>25,744,860</u>
Total amounts available for general expenditures within one year	<u>\$ 23,678,433</u>

NDWA maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The investments can easily be liquidated when such funds are needed for grants and other obligations.

7. Related Party Transactions

NDWA receives grants, distributes grants, works with certain organizations and collaborates on certain projects with several related not-for-profit entities as follows:

In accordance with NDWA's mission regarding membership, an aggregate of \$4,121,500 and \$3,062,311 in 2020 and 2019, respectively, was granted to affiliate organizations. NDWA has 68 affiliate organizations around the country. These affiliates are independent organizations organizing and building the power of domestic workers, and they also provide services and support for domestic workers in cities across the country. The NDWA board consists of individuals who also serve on boards of our affiliates.

National Domestic Workers Alliance, Inc.

Care in Action, Inc. (formerly Domestic Worker Legacy Fund, Inc.) was formed to fight for dignity and fairness for the millions of domestic workers in the United States by engaging in lobbying activities and organizing and advocating for respect, recognition, and inclusion in labor protections. An officer of NDWA serves on the board of directors of Care in Action, however, NDWA does not have an economic or voting control over Care in Action.

Care in Action is the parent and sole member of Fair Care Labs, LLC (“Fair Care Labs”). Fair Care Labs is the innovation and product development arm of NDWA and seeks to shape the future of the care industry and emerging care markets. Profits from Fair Care Labs will be used by Care in Action to fund its mission.

In 2021, NDWA entered into an agreement with NDWA Gig Workers Advocates, (GWA) a Delaware nonprofit corporation that is organized and operated for social welfare purposes within the meaning of Internal Revenue Code (“Code”) Section 501(c)(4). NDWA provides certain staff services to GWA in exchange for market rate compensation, but does not have economic or voting control over GWA

NDWA personnel provided services to Care in Action. For the years ended December 31, 2021, and 2020, NDWA charged Care in Action approximately \$829,010 and \$3,733,797 for these services and other shared costs for facilities, goods and services, respectively.

NDWA personnel provided services to Fair Care Labs. For the years ended December 31, 2021 and 2020, NDWA charged Care in Action approximately \$3,680,428 and \$457,606 for these services and other shared costs for facilities, grants, goods and services, respectively.

NDWA personnel provided services to GWA. For the years ended December 31, 2021 and 2020, NDWA charged GWA approximately \$10,967 and \$0 for these services and other shared costs for facilities, goods and services, respectively.

In addition, NDWA provided a grant to Fair Care Labs in the amounts of \$0 and \$1,500,000 to administer the Corona virus Care Fund and to support the experimentation and social innovation work of Fair Care Labs for the years ended December 31, 2021 and 2020, respectively.

Due from affiliates includes the following amounts as of December 31, 2021, and 2020:

	2021	2020
Due from Care in Action, Inc	\$ 837,045	\$ 2,192,906
Due from Fair Care Labs, LLC	96,159	-
Due from NDWA Gig Workers Advocates	10,967	-
Due from Affiliates	<u>\$ 944,171</u>	<u>\$ 2,192,906</u>

8. Paycheck Protection Program

On February 25, 2021, the Organization secured a loan for \$1,900,000 through the U.S. Small Business Administration’s Paycheck Protection Program. The loan has an interest rate of 1% and matures at February 25, 2023. The Organization expects that a portion or all of the loans may be forgiven in accordance with the provision of the Paycheck Protection Program.

The Organization is following the provisions of ASC 405-20-1 which states a debtor shall derecognize a liability if and only if it has been extinguished. A liability has been extinguished if either of the following conditions is met:

- The debtor pays the creditor and is relieved of its obligation for the liability
- The debtor is legally released from being the primary obligor under the liability, either judicially or by the creditor.

National Domestic Workers Alliance, Inc.

Accordingly, the Organization will record forgiveness of debt for amounts forgiven under the Paycheck Protection Program when such amounts are formally forgiven.

On October 19, 2021, the Organization received notification of forgiveness of debt of \$1,900,000 in connection with the loan. Accordingly, the amount is reflected in the accompanying statement of activities.

9. Commitments

NDWA leases office space in Atlanta and New York under non-cancellable leases expiring at various dates through August 2027, including a new lease for office space in Atlanta commencing in June 2022. Future minimum rental payments under these leases are approximately as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2022	\$ 280,978
2023	322,876
2024	61,182
2025	62,715
2026	64,284
2027	43,701
	<u>\$ 835,736</u>

NDWA leases other office space in New York City, Chicago, Washington D.C. and Oakland on month-to-month bases, therefore there are no future commitments.

Rent expense amounted to approximately \$334,000 and \$216,000 under these leases for the years ended December 31, 2021 and 2020, respectively.

10. With Donor Restrictions Net Assets

With donor restrictions net assets at December 31, 2021 and 2020 are available for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Caring Across Generations	\$ 7,414,268	\$ 6,928,808
Equality Can't Wait	5,425,000	-
Field	4,082,064	-
Affiliate Capacity	3,249,200	-
Chapters	1,268,167	1,859,706
Families Belong Together	673,622	825,000
WeDib	455,000	719,333
Civic Engagement	440,000	1,111,668
Other	407,539	477,083
Policy	50,000	305,000
Fair Care Labs	-	2,325,000
Workforce development	-	45,000
Digital	-	283,333
Corona Care Fund	-	1,525,855
Time restricted	15,987,510	12,960,932
	<u>\$ 39,452,370</u>	<u>\$ 29,366,718</u>

National Domestic Workers Alliance, Inc.

11. Employee Benefit Plan

NDWA offers employees the opportunity to participate in a 401(k) retirement plan. NDWA may contribute to an employee's retirement plan at management's discretion. End of year contributions are offered only to employees who have worked 1,000 hours in a calendar year and who are employed on December 31 of that calendar year. Employees may make voluntary contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Employees are 100% vested upon joining the retirement program.

For the years ended December 31, 2021 **and 2020**, NDWA made matching contributions of approximately \$243,000 and \$142,000, respectively.

12. COVID-19

In March of 2020, a public emergency was declared in the United States related to a novel strain of coronavirus ("COVID-19"). The spread of COVID-19 around the world has caused significant volatility in the U.S. and international markets. Certain programs have been delayed while NDWA converted others to a virtual format that could be used to fulfil the requirement of the programs. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. Overall, the impact of COVID-19 has been minimal on NDWA's operations.

13. Coronavirus Care Fund

The Coronavirus Care Fund (CCF) was established by the National Domestic Workers Alliance in 2020 to provide emergency assistance for home care workers, nannies and house cleaners to support them in staying safe and staying home to slow down the spread of the coronavirus, and to care for themselves and their families. Domestic workers who qualified, and whose applications were approved, were able to access \$400 in emergency assistance mailed to them as a gift card that worked just like a credit card to buy things in person or online, wherever credit cards are accepted.

During the year ended December 31, 2020, NDWA raised approximately \$32,900,000 for the CCF. The first tranche of \$21,800,000 was distributed in direct assistance to about 52,000 domestic workers nationwide from July to October 2020. Between November 2020 and January 2021, another \$8,600,000 was distributed as a second tranche to about 40,000 recipients, all of whom belonged to the initial group of recipients. NDWA awarded Fair Care Labs a sub-grant to administer the distribution using the technology that has been developed in ALIA.

At the end of 2020, CCF had remaining net assets of \$1,500,000, of which \$730,000 went into the second distribution in January 2021 as mentioned above. The remaining assets after administrative costs of approximately \$700,000 were also earmarked and distributed in 2021. During the year ended December 31, 2021, all the funds have been fully disbursed (as in distribution to workers) or expended (for expenses).

14. Subsequent Events

NDWA has evaluated subsequent events through August 9, 2022, the date the financial statements were available to be issued.

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