

National Domestic Workers Alliance, Inc.

Financial Statements

December 31, 2022 (With Summarized
Comparative Information as of and for
the year ended December 31, 2021)

mazars

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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, 2022, 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, 2022, 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 Auditors' 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 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 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 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mazars USA LLP

August 17, 2023

National Domestic Workers Alliance, Inc.

Statement of Activities

Year Ended December 31, 2022

(With summarized comparative amounts for the Year Ended December 31, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2022</u>	<u>Total 2021</u>
Revenue and other support				
Contributions	\$ 2,167,980	\$ 22,884,018	\$ 25,051,998	\$45,892,223
Forgiveness of debt - PPP Loan	-	-	-	1,900,000
Program fees	98,405	-	98,405	110,206
Honoraria and other income	325,239	-	325,239	122,996
Investment (loss) income, net	(1,618,641)	-	(1,618,641)	323,720
Net assets released from restrictions	30,941,359	(30,941,359)	-	-
Total revenues and other support	<u>31,914,342</u>	<u>(8,057,341)</u>	<u>23,857,001</u>	<u>48,349,145</u>
Expenses				
Program services	29,573,218	-	29,573,218	31,867,736
Management and general	2,992,687	-	2,992,687	4,540,609
Fundraising	933,613	-	933,613	719,520
Total expenses	<u>33,499,518</u>	<u>-</u>	<u>33,499,518</u>	<u>37,127,865</u>
Change in net assets	(1,585,176)	(8,057,341)	(9,642,517)	11,221,280
Net assets, beginning of year	<u>9,553,056</u>	<u>39,452,370</u>	<u>49,005,426</u>	<u>37,784,146</u>
Net assets, end of year	<u>\$ 7,967,880</u>	<u>\$ 31,395,029</u>	<u>\$ 39,362,909</u>	<u>\$49,005,426</u>

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

National Domestic Workers Alliance, Inc.

Statement of Functional Expenses

Year Ended December 31, 2022

(With summarized comparative amounts for the Year Ended December 31, 2021)

	Program Services			Management and General	Fundraising	2022 Total	2021 Summarized Total
	Other Programs	Caring Across Generations	Total Program Services				
Salaries	\$ 7,138,651	\$ 3,087,961	\$ 10,226,612	\$ 1,493,091	\$ 611,579	\$ 12,331,282	\$ 10,842,896
Payroll taxes and employee benefits	1,819,196	781,931	2,601,127	386,480	164,900	3,152,507	2,949,402
Total personnel costs	8,957,847	3,869,892	12,827,739	1,879,571	776,479	15,483,789	13,792,298
Grants and subgrants	5,839,067	200,000	6,039,067	-	-	6,039,067	11,785,461
Direct membership support	-	-	-	-	-	-	839,813
Consultants	4,295,926	2,043,310	6,339,236	134,803	79,740	6,553,779	6,837,064
Travel	718,728	175,848	894,576	59,023	5,299	958,898	319,286
Professional fees	4,034	13,203	17,237	81,748	-	98,985	141,381
Marketing and advertising	488,826	168,825	657,651	-	598	658,249	761,012
Software, technology and website	650,342	233,737	884,079	160,826	7,103	1,052,008	902,118
Office expenses	776,778	132,137	908,915	119,575	22,974	1,051,464	704,002
Meetings	452,255	217,195	669,450	12,209	287	681,946	305,907
Occupancy	31,542	11,334	42,876	213,020	-	255,896	337,664
Depreciation	-	-	-	63,898	-	63,898	23,176
Administration fee	119,076	11,904	130,980	48,882	40,516	220,378	267,255
Staff development	30,063	90,332	120,395	108,512	616	229,523	81,827
Other	22,963	18,054	41,017	110,620	-	151,637	29,601
Total	<u>\$ 22,387,447</u>	<u>\$ 7,185,771</u>	<u>\$ 29,573,218</u>	<u>\$ 2,992,687</u>	<u>\$ 933,613</u>	<u>\$ 33,499,518</u>	<u>\$ 37,127,865</u>

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

National Domestic Workers Alliance, Inc.

Statement of Cash Flows

Year Ended December 31, 2022

(With summarized comparative amounts for the Year Ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (9,642,517)	\$ 11,221,280
Adjustment to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Amortization of discount on contributions receivable	69,869	147,119
Lease expense	84,460	-
Depreciation	63,698	23,176
Unrealized loss (gain) on investments	624,631	(245,436)
Realized loss (gain) on sale of investments	1,024,053	(21,447)
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	1,402,703	4,684,161
Prepaid expenses	168	532,795
Other assets	(12,462)	(21,072)
Accounts payable and accrued expenses	(145,824)	1,188,751
Grants payable	1,040,371	(430,000)
Net cash (used in) provided by operating activities	<u>(5,490,850)</u>	<u>15,179,327</u>
Cash flows from investing activities		
Due from affiliate	(441,768)	1,248,735
Due to affiliates	-	(1,370,049)
Purchase of marketable securities	(15,523,748)	(17,675,469)
Proceeds from the sale of marketable securities	15,504,949	7,597,078
Purchase of property and equipment	(2,338)	(58,132)
Net cash used in investing activities	<u>(462,905)</u>	<u>(10,257,837)</u>
Cash flows from financing activities		
Proceeds from PPP Loan	-	1,900,000
Net cash provided by financing activities	<u>-</u>	<u>1,900,000</u>
Net (decrease) increase in cash and cash equivalents	(5,953,755)	6,821,490
Cash and cash equivalents		
Beginning of year	<u>23,287,069</u>	<u>16,465,579</u>
End of year	<u>\$ 17,333,314</u>	<u>\$ 23,287,069</u>

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

National Domestic Workers Alliance, Inc.

Notes to Financial Statements Year Ended December 31, 2022 (With Summarized Comparative Information as of and for the year ended December 31, 2021)

1. Nature of Organization

Business Description

The National Domestic Workers Alliance, Inc. (“NDWA” or the “Organization”) 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, 2022 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, 2022, the uninsured balance totaled approximately \$16,579,000.

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

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of fair value measurements. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

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 and software is recorded using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized using 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 promises reflected as deferred revenue at December 31, 2022 or 2021.

Major Contributors

Two donors accounted for 24% and 33% of total revenue for the year ended December 31, 2022 and 2021, respectively. Three donors accounted for 37% and 55% of contributions receivable as of December 31, 2022 and 2021, 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

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these net assets for a specific purpose which makes them unavailable for use at management's discretion.

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, 2022 and 2021, there were no net assets with Board designations.

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, 2021 from which the summarized financial information was derived.

Reclassifications

Certain reclassifications have been made to the 2021 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Leases

NDWA is accounting for its leases in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, Leases ("ASC 842") Per ASC 842 **the lease** contract gives rise to the recognition of a lease liability in the lessee's balance sheet, representing the present value of lease payments including fixed rental payments The lease liability is recognized against a right-of-use asset corresponding to the leased item. NDWA defines the lease term as the noncancellable term of the lease plus any renewals covered by renewal options that are reasonably certain of exercise based on management's assessment of the economic factors relevant to the lessee.

NDWA adopted ASC 842 on January 1, 2022 using the modified retrospective method. NDWA recognizes a right-of-use asset and lease liability at the adoption date, which is measured by discounting lease payments using the incremental borrowing rate. As the implicit rate in the Organization's leases is unknown, NDWA uses the practical expedient available to use the risk-free rate at the adoption date in determining the present value of future lease payments.

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3. Contributions Receivable

Contributions receivable include unconditional promises to give as follows:

	2022	2021
Receivable in less than one year	\$ 8,995,913	\$ 10,118,616
Receivable in one to five years	<u>2,000,000</u>	<u>2,280,000</u>
	10,995,913	12,398,616
Less: discount to present value	<u>(179,698)</u>	<u>(109,829)</u>
	<u>\$ 10,816,215</u>	<u>\$ 12,288,787</u>

Contributions receivable have been discounted over the payment period using discount rates ranging from 0.65%–4.93%.

4. Investments

Investments consists of the following at December 31, 2022:

	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	\$ 1,691,663	\$ 1,691,663	\$ -	\$ -
Coporate bonds	447,729	-	447,729	-
Mutual funds	1,598,738	1,598,738	-	-
Exchange traded funds	4,564,740	4,564,740	-	-
Money market funds	2,944,610	2,944,610	-	-
Real estate investment trusts	22,099	22,099	-	-
	<u>\$ 11,269,578</u>	<u>\$ 10,821,849</u>	<u>\$ 447,729</u>	<u>\$ -</u>

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>

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Investments fair value and cost at December 31, 2022 and 2021 are as follows:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Common stocks	\$ 1,739,262	\$ 1,691,663	\$ 2,072,174	\$ 2,317,715
Coporate bonds	472,728	447,729	669,006	666,596
Mutual funds	1,706,138	1,598,738	2,140,181	2,339,452
Exchange traded funds	4,563,031	4,564,740	4,816,551	4,814,185
Money Market funds	2,944,607	2,944,610	2,651,286	2,651,286
Other	23,804	22,099	109,431	114,032
Total investment	<u>\$ 11,449,570</u>	<u>\$ 11,269,578</u>	<u>\$ 12,458,629</u>	<u>\$ 12,903,266</u>

Investment (loss) income for the years ended December 31, 2022 and 2021 is comprised of the following:

	2022	2021
Interest and dividends	\$ 91,606	\$ 103,578
Realized (loss) gain	(1,024,053)	21,447
Unrealized (loss) gain	(624,631)	245,436
Investment fees	(61,563)	(46,741)
Investment (loss) income	<u>\$ (1,618,641)</u>	<u>\$ 323,720</u>

5. Property and Equipment

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

	Estimated Useful Life	2022	2021
Leashold improvements	term of lease	\$ 6,760	\$ 6,760
Software	5 years	52,900	52,900
Furniture and fixtures	5 years	238,353	236,015
		298,013	295,675
Less: accumulated depreciation		110,077	46,379
		<u>\$ 187,936</u>	<u>\$ 249,296</u>

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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,	2022
Cash and cash equivalents	\$ 17,333,314
Contribution receivables, net	10,816,215
Investments	11,269,578
Investments - Other	1,527,169
Due from affiliates	1,385,939
Financial assets available	<u>42,332,215</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Receivables restricted by donors with respect to purpose	16,050,163
Receivables restricted by donors with respect to time	<u>2,000,000</u>
Net assets restricted by donors	<u>18,050,163</u>
Total amounts available for general expenditures within one year	<u>\$ 24,282,052</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 \$2,735,000 and \$4,121,500 in 2022 and 2021, 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 NDWA's affiliates.

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, Inc. however, NDWA does not have an economic or voting control over Care in Action, Inc..

Care in Action, Inc. 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, Inc. 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, Inc. For the years ended December 31, 2022, and 2021, NDWA charged Care in Action approximately \$2,765,629 and \$829,010 for these services and other

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shared costs for facilities, goods and services, respectively. These costs are accounted for as a reduction to personnel costs of NDWA.

NDWA personnel provided services to Fair Care Labs. For the years ended December 31, 2022 and 2021, NDWA charged Care in Action approximately \$1,770,305 and \$3,680,428 for these services and other shared costs for facilities, grants, goods and services, respectively. These costs are accounted for as a reduction to personnel costs of NDWA.

NDWA personnel provided services to GWA. For the years ended December 31, 2022 and 2021, NDWA charged GWA approximately \$0 and \$10,967 for these services and other shared costs for facilities, goods and services, respectively.

Due from affiliates includes the following amounts as of December 31, 2022, and 2021:

	2022	2021
Due from Care in Action, Inc	\$ 1,081,531	\$ 837,045
Due from Fair Care Labs, LLC	304,408	96,159
Due from NDWA Gig Workers Advocates	-	10,967
Due from Affiliates	<u>\$ 1,385,939</u>	<u>\$ 944,171</u>

Grants payable includes a payable of \$1,090,000 to Fair Care Labs at December 31, 2022.

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.

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. Lease Commitments

NDWA leases office space under various non-cancellable operating leases which expire at various dates through 2027. As disclosed in Note 2, NDWA adopted ASC 842 on January 1, 2022 using the modified retrospective transition method.

Accordingly, operating lease right of use assets and lease liabilities were recognized at January 1, 2022 based on the present value of minimum lease payments over the remaining lease term. The minimum lease payments include base rent payments. As the implicit rate in the Organization's leases is unknown, NDWA uses the practical expedient available to use the risk-free rate at the adoption date in determining the present value of future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term.

Occupancy expense amounted to approximately \$397,000 and \$334,000 for the years ended December 31, 2022 and 2021, respectively.

Supplemental information as December 31, 2022:

Weighted average remaining lease term	3.24 years
Weighted average discount rate	1.01%

National Domestic Workers Alliance, Inc.

The maturities of lease liabilities as of December 31, 2022 are as follows:

2023	\$ 393,954
2024	122,470
2025	109,582
2026	100,974
2027	<u>73,275</u>
Total lease payments	800,255
Less: present value discount	<u>(16,571)</u>
Operating of lease liabilities	<u>\$ 783,684</u>

10. With Donor Restrictions Net Assets

With donor restrictions net assets at December 31, 2022 and 2021 are available for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Caring Across Generations	\$ 6,936,994	\$ 7,414,268
Equality Can't Wait	3,928,409	5,425,000
Field	1,000,000	4,082,064
Affiliate Capacity	1,100,000	3,249,200
Chapters	1,460,666	1,268,167
Families Belong Together	77,278	673,622
WeDib	880,000	455,000
Civic Engagement	-	440,000
Other	666,816	407,539
Policy	-	50,000
Time restricted	<u>15,344,866</u>	<u>15,987,510</u>
	<u>\$ 31,395,029</u>	<u>\$ 39,452,370</u>

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. Employer contributions are made annually and 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, 2022 and 2021, NDWA made matching contributions of approximately \$302,000 and \$243,000, respectively.

National Domestic Workers Alliance, Inc.

12. 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).

13. Subsequent Events

NDWA has evaluated subsequent events through August 17, 2023, the date the financial statements were available to be issued.

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