TAHIRIH JUSTICE CENTER®

Financial Statements

For the Years Ended December 31, 2015 and 2014

and
Report Thereon

Raffa

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Tahirih Justice Center

Report on the Financial Statements

We have audited the accompanying financial statements of Tahirih Justice Center (Tahirih), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tahirih as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Raffa, P.C.

Raffa, P.C.

Washington, DC
June 1, 2016

TAHIRIH JUSTICE CENTER

STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 1,415,498	$ 1,409,609
Grants and contributions receivable, net	2,789,917	2,753,843
Prepaid expenses	128,069	70,931
Inventory	10,572	9,332
Investments	245,312	497,075
Deposits	23,923	23,923
Property and equipment, net	134,711	51,729
TOTAL ASSETS	$ 4,748,002	$ 4,816,442
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 63,697	$ 78,033
Accrued expenses	233,468	191,826
Deferred revenue	82,519	7,437
Deferred rent	115,103	132,823
TOTAL LIABILITIES	494,787	410,119
Net Assets		
Unrestricted		
Undesignated	430,911	352,489
Board-designated	480,000	480,000
Total Unrestricted Net Assets	910,911	832,489
Temporarily restricted	3,342,304	3,573,834
TOTAL NET ASSETS	4,253,215	4,406,323
TOTAL LIABILITIES AND NET ASSETS	$ 4,748,002	$ 4,816,442

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

TAHIRIH JUSTICE CENTER

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Donated professional services	$ 12,349,173	$ -	$ 12,349,173	$ 13,262,495	$ -	$ 13,262,495
Grants and contributions	3,322,753	1,209,890	4,532,643	3,263,009	3,491,151	6,754,160
Fundraising sales, net of expenses of $22 in 2015 and $5,655 in 2014	24,874	-	24,874	4,492	-	4,492
Investment income (loss), net	(42,878)	-	(42,878)	1,523	-	1,523
Other income	3,083	-	3,083	16,637	-	16,637
Net assets released from restrictions:						
Satisfaction of program restrictions	1,266,420	(1,266,420)	-	764,280	(764,280)	-
Satisfaction of time restrictions	175,000	(175,000)	-	-	-	-
TOTAL REVENUE AND SUPPORT	17,098,425	(231,530)	16,866,895	17,312,436	2,726,871	20,039,307
EXPENSES						
Program Services:						
Services	14,065,365	-	14,065,365	14,192,607	-	14,192,607
Advocacy	1,106,959	-	1,106,959	1,684,782	-	1,684,782
Total Program Services	15,172,324	-	15,172,324	15,877,389	-	15,877,389
Supporting Services:						
General and administrative	1,264,765	-	1,264,765	949,286	-	949,286
Fundraising	582,914	-	582,914	543,177	-	543,177
Total Supporting Services	1,847,679	-	1,847,679	1,492,463	-	1,492,463
TOTAL EXPENSES	17,020,003	-	17,020,003	17,369,852	-	17,369,852
CHANGE IN NET ASSETS	78,422	(231,530)	(153,108)	(57,416)	2,726,871	2,669,455
NET ASSETS, BEGINNING OF YEAR	832,489	3,573,834	4,406,323	889,905	846,963	1,736,868
NET ASSETS, END OF YEAR	$ 910,911	$ 3,342,304	$ 4,253,215	$ 832,489	$ 3,573,834	$ 4,406,323

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

TAHIRIH JUSTICE CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

	Program Services			Supporting Services			
	Services	Advocacy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Donated professional services	$ 11,437,388	$ 863,872	$ 12,301,260	$ 22,750	$ 5,163	$ 27,913	$ 12,329,173
Salaries	1,764,764	196,203	1,960,967	654,464	242,071	896,535	2,857,502
Fringe benefits and payroll taxes	291,950	32,459	324,409	108,270	40,047	148,317	472,726
Rent	44,807	4,756	49,563	307,395	12,210	319,605	369,168
Other professional services	62,947	-	62,947	31,533	113,694	145,227	208,174
Special event expense	139,408	-	139,408	-	33,758	33,758	173,166
Direct client expenses	160,553	-	160,553	-	-	-	160,553
Information technology	38,888	130	39,018	67,843	17,830	85,673	124,691
Other expenses	27,535	1,555	29,090	9,997	39,926	49,923	79,013
Travel	35,977	3,161	39,138	2,726	17,094	19,820	58,958
Printing and publication	6,545	49	6,594	8,254	41,129	49,383	55,977
Telephone	16,933	387	17,320	30,772	2,770	33,542	50,862
Supplies	6,115	634	6,749	13,735	8,711	22,446	29,195
Insurance	10,750	2,666	13,416	2,515	291	2,806	16,222
Depreciation and amortization	12,013	945	12,958	1,081	498	1,579	14,537
Postage and delivery	6,514	117	6,631	1,782	3,911	5,693	12,324
Dues and subscriptions	2,278	25	2,303	1,648	3,811	5,459	7,762
TOTAL EXPENSES	$ 14,065,365	$ 1,106,959	$ 15,172,324	$ 1,264,765	$ 582,914	$ 1,847,679	$ 17,020,003

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

TAHIRIH JUSTICE CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2014

	Program Services			Supporting Services			
	Services	Advocacy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Donated professional services	$ 11,690,196	$ 1,384,318	$ 13,074,514	$ 176,085	$ 11,896	$ 187,981	$ 13,262,495
Salaries	1,467,445	182,200	1,649,645	509,905	275,855	785,760	2,435,405
Fringe benefits and payroll taxes	250,106	27,103	277,209	79,358	42,189	121,547	398,756
Rent	215,423	27,232	242,655	74,527	53,593	128,120	370,775
Other professional services	101,781	5,269	107,050	23,413	87,237	110,650	217,700
Special event expense	110,936	2,784	113,720	-	5,877	5,877	119,597
Direct client expenses	143,871	-	143,871	-	7	7	143,878
Information technology	32,182	966	33,148	42,581	13,972	56,553	89,701
Other expenses	47,456	3,877	51,333	12,028	19,564	31,592	82,925
Travel	36,090	25,297	61,387	4,980	7,956	12,936	74,323
Printing and publication	37,413	20,140	57,553	2,081	13,181	15,262	72,815
Telephone	17,914	1,983	19,897	9,800	3,592	13,392	33,289
Supplies	11,343	2,347	13,690	7,351	4,233	11,584	25,274
Insurance	8,875	114	8,989	3,588	300	3,888	12,877
Depreciation and amortization	11,235	717	11,952	524	1,461	1,985	13,937
Postage and delivery	7,124	419	7,543	1,354	2,013	3,367	10,910
Dues and subscriptions	3,217	16	3,233	1,711	251	1,962	5,195
TOTAL EXPENSES	$ 14,192,607	$ 1,684,782	$ 15,877,389	$ 949,286	$ 543,177	$ 1,492,463	$ 17,369,852

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

TAHIRIH JUSTICE CENTER

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014
Increase (Decrease) in Cash and Cash Equivalents

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (153,108)	$ 2,669,455
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Discount on pledges receivable	(14,241)	49,617
Donated professional services	(20,000)	-
Depreciation and amortization	14,537	13,937
Net realized and unrealized losses from investments	46,204	1,583
Changes in assets and liabilities:		
Grants and contributions receivable	(21,833)	(2,085,199)
Prepaid expenses	(57,138)	(6,428)
Inventory	(1,240)	(8,950)
Accounts payable	(17,696)	(33,918)
Accrued expenses	41,642	128,914
Deferred revenue	75,082	7,437
Deferred rent	(17,720)	(8,498)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(125,511)	727,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,115,000)	(1,140,000)
Proceeds from sales of investments	1,320,559	932,362
Purchases of property and equipment	(74,159)	(8,970)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	131,400	(216,608)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,889	511,342
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,409,609	898,267
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,415,498	$ 1,409,609
SUPPLEMENTAL INFORMATION		
Noncash investing transaction:		
Property and equipment included in accounts payable	$ 3,360	$ 14,691

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

1. Organization and Summary of Significant Accounting Policies

Organization

Tahirih Justice Center (Tahirih) is a nonprofit organization founded in 1997 and incorporated in the Commonwealth of Virginia. Tahirih is inspired by the principles of the Bahá'í Faith. Its mission is to enable women and girls fleeing gender-based violence to access justice through direct legal services and public policy advocacy.

Below are descriptions of Tahirih's major programs:

Services: Tahirih provides pro bono legal services in immigration and family law, as well as holistic social case management services to ensure that its clients can truly access justice and become self-sufficient members of our community. To maximize the number of women and girls served, Tahirih reaches out to top law firms and recruits attorneys who donate their time to represent its clients through Tahirih's Pro Bono Attorney Network. Since opening its doors in 1997, through direct services and referrals, Tahirih has assisted over 19,000 women and children fleeing abuse. Even while handling a high volume of complex cases, Tahirih maintains a 99 percent success record – a measure of Tahirih's dedication to excellence and to its clients, as well as the compelling nature of its clients' stories. Tahirih provides direct services and referrals in the areas of immigration law, family law and case management of supporting services.

Advocacy: Through its unusual approach to advocacy rooted in its direct services experiences, Tahirih seeks to amplify the voices of the women and girls it serves in critical public policy debates at the federal, state and local levels on issues that directly impact them. Tahirih's intimate understanding of the abuse suffered by its clients provides unique insights that enable it to design and execute effective campaigns for systemic change and the long-term protection of women and girls. While most organizations focus on either direct services or public policy advocacy, Tahirih engages in both to provide a critical bridge between direct services and national advocacy. Tahirih is a leader in a range of public policy debates affecting immigrant women and girls, including forced marriage, female genital mutilation/cutting, asylum for women and girls fleeing gender-based persecution, and other issues.

Basis of Accounting

The accompanying financial statements of Tahirih are presented on the accrual basis of accounting in accordance with the generally accepted accounting principles in the United States of America (GAAP).

Cash and Cash Equivalents

Tahirih considers substantially all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

Continued

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

Grants and Contributions Receivable

Grants and contributions receivable are stated at net realizable value. Tahirih uses the allowance method to record potentially uncollectible receivables. Management determines the allowance for doubtful accounts based on historical bad debt percentages. Grants and contributions receivable are individually analyzed for collectibility and written off when all collection efforts are exhausted.

Inventory

Inventory consists primarily of books held-for-sale that are valued at the lower of cost or market value. Cost is determined using the first-in, first-out method. Appropriate consideration is given to obsolescence in evaluating net realizable value. Obsolete inventory is written off in the year it becomes obsolete. Management determined that a reserve for obsolete inventory was unnecessary as of December 31, 2015 and 2014.

Investments

Investments consist of certificates of deposit, equity securities, an exchange-traded fund, and private equity securities and are recorded in the accompanying financial statements 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. Purchases and sales are reflected on a trade date basis. Interest income is recorded on the accrual basis. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, defines fair value and establishes a framework for measuring fair value for assets and liabilities that are measured at fair value on a recurring basis. In accordance with the accounting standards for fair value measurements for those assets and liabilities that are measured at fair value on a recurring basis, Tahirih 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 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* – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Continued

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

Fair Value Measurements (continued)

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

Level 3 – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

As of December 31, 2015 and 2014, only Tahirih's investments, as described in Note 5 of these financial statements, were measured at fair value on a recurring basis.

Property and Equipment

Property and equipment greater than $5,000 are recorded at cost. Depreciation and amortization on computers, furniture, office equipment, and software and web design are provided for on a straight-line basis over the estimated useful lives of the assets, which range from three to seven years. Costs related to web design are capitalized in accordance with FASB ASC Topic 350-50, *Website Development Costs*, while costs incurred during the planning and post-implementation operation stages are expensed. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization, and any gain or loss is reflected in revenue and support or expenses in the accompanying statements of activities. Major additions are capitalized while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Classification of Net Assets

The net assets of Tahirih are reported as follows:

- Unrestricted net assets represent resources available to support Tahirih's general operations. Unrestricted net assets also include funds that have been designated by the Board of Directors as an operating reserve. As of December 31, 2015 and 2014, the operating reserve was $480,000.
- Temporarily restricted net assets represent resources received by Tahirih from contributors or grantors that are purpose or time restricted by the donors. Tahirih has elected to reflect donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support in the accompanying statements of activities.

Revenue Recognition

Tahirih recognizes all unconditional contributed support in the period in which the commitment is made. Grants and contributions are considered unrestricted revenue and support and available for general operations unless specifically restricted by the donor. Tahirih reports grants of cash and other assets as temporarily restricted revenue and support if they are received with donor stipulations that limit the use of the donated assets to a particular

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

Revenue Recognition (continued)

purpose or to future periods. When the stipulated time restriction ends or the purpose of the restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. Revenue recognized on these grants for which the cash has not been received from the grantor as of year-end is reflected as grants and contributions receivable in the accompanying statements of financial position. Unconditional grants and contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional grants and contributions that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the period over which the promises are to be received.

Tahirih has cost-reimbursable grants and contracts with U.S. government agencies. Revenue from these grants and contracts is recognized as costs are incurred on the basis of direct costs plus allowable indirect expenses. Direct and indirect expenses incurred, but not yet reimbursed or billed, under these grants and contracts are reported as grants and contributions receivable in the accompanying statements of financial position. Payments received, but not yet expended, for these grants and contracts are reflected as deferred revenue in the accompanying statements of financial position.

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated legal services are recorded at fair value based on standard billing rates as represented by the respective law firms. Other donated services include access to office/meeting space and website development costs, and are valued at standard rates as represented by the respective organization. The items contributed are also reflected as either expenses or capital assets at the estimated fair value on the date of donation, if the assets meet Tahirih's capitalization criteria for property and equipment.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated proportionately among the programs and supporting services to which they relate based on employee time spent on each.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Continued

2. Grants and Contributions Receivable

Grants and contributions receivable consisted of the following as of December 31, 2015 and 2014:

	2015	2014
Non-federal grants and contributions	$ 2,623,664	$ 2,612,991
Federal grants	201,629	190,840
Total	2,825,293	2,803,831
Less: Discount on Multi-year Pledges	(35,376)	(49,617)
Less: Allowance for Doubtful Accounts	-	(371)
Grants and Contributions Receivable, Net	$ 2,789,917	$ 2,753,843

As of December 31, 2015 and 2014, non-federal grants receivable are shown at the present value of estimated future cash flows using discount rates ranging from 1.65% to 1.76%, which is based on available data for risk-free interest rates for the year in which outstanding pledges were received.

Non-federal grants receivable represent amounts due from individual donors and foundations. As of December 31, 2015 and 2014, the amounts were scheduled to be paid as follows:

	2015	2014
Less than one year	$ 1,202,081	$ 1,067,991
One to five years	1,421,583	1,545,000
Total Non-federal Grants and Contributions Receivable	$ 2,623,664	$ 2,612,991

3. Investments

Investments consisted of the following as of December 31, 2015 and 2014:

	2015	2014
Certificates of deposit	$ 245,000	$ 445,000
Equity securities	312	284
Private equity securities	-	50,625
Exchange-traded fund	-	1,166
Total Investments	$ 245,312	$ 497,075

Continued

3. Investments (continued)

Net investment income (loss) is summarized as follows for the years ended December 31, 2015 and 2014:

	2015	2014
Interest income	$ 3,326	$ 3,106
Realized and unrealized losses, net	(46,204)	(1,583)
Investment Income (Loss), Net	$ (42,878)	$ 1,523

4. Property and Equipment

Tahirih's property and equipment consisted of the following as of December 31, 2015 and 2014:

	2015	2014
Software and web design	$ 110,639	$ 40,011
Office equipment	61,491	61,491
Computers	61,021	34,130
Furniture	7,204	7,204
Total Property and Equipment	240,355	142,836
Less: Accumulated Depreciation and Amortization	(105,644)	(91,107)
Property and Equipment, Net	$ 134,711	$ 51,729

Depreciation and amortization expense for the years ended December 31, 2015 and 2014 was $14,537 and $13,937, respectively.

5. Fair Value Measurements

The following table summarizes Tahirih's assets measured at fair value on a recurring basis as of December 31, 2015:

	Total	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 245,000	$ -	$ 245,000	$ -
Equity securities	312	312	-	-
Total	$ 245,312	$ 312	$ 245,000	$ -

Continued

5. Fair Value Measurements (continued)

The following table summarizes Tahirih's assets measured at fair value on a recurring basis as of December 31, 2014:

	Total	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 445,000	$ -	$ 445,000	$ -
Private equity securities	50,625	-	-	50,625
Exchange-traded fund	1,166	1,166	-	-
Equity securities	284	284	-	-
Total	$ 497,075	$ 1,450	$ 445,000	$ 50,625

A roll forward of the fair value measurements using unobservable inputs (Level 3) is as follows for the years ended December 31, 2015 and 2014:

Balance as of January 1, 2014	$ -
Receipt of donated stock pledged in 2013	50,625
Balance as of December 31, 2014	50,625
Realized loss related to donated stock	(50,625)
Balance as of December 31, 2015	$ -

Tahirih used the following methods and significant assumptions to estimate fair value of assets recorded at fair value:

Certificates of deposit – These are valued based on current yields, the securities' terms and conditions, and market activity. Information used includes market sources, credit information, observed market movement and sector news.

Equity securities and exchange-traded fund – These are valued at the closing price reported in the active market in which the individual securities are traded.

Private equity securities – This represents a stock in a privately held company that was donated to Tahirih. Fair value is based on an independent appraisal that was performed close to when the stock was initially contributed to Tahirih. Although an appraisal as of December 31, 2014 was not available to Tahirih, management performed due diligence and determined that the fair value of the stock had not changed since it was initially recorded in the financial statements and no adjustment

5. Fair Value Measurements (continued)

was made to the financial statements. In 2015, Tahirih was notified that its private equity investment was restructured and that the securities it holds no longer have any value. As a result, the private equity stock was written off in 2015 and a realized loss was recorded.

6. Temporarily Restricted Net Assets

The temporarily restricted net assets of Tahirih were available for the following programs or purposes as of December 31, 2015 and 2014:

	2015	2014
Strategic planning and management	$ 1,877,740	$ 2,341,448
Services:		
San Francisco	372,750	-
Houston	313,175	640,554
Greater Washington, DC	106,717	160,022
Baltimore	15,672	44,026
Advocacy:		
Public policy	-	31,534
Time-restricted	656,250	356,250
Total Temporarily Restricted Net Assets	$ 3,342,304	$ 3,573,834

7. Donated Professional Services

During the years ended December 31, 2015 and 2014, Tahirih estimated that it received approximately 30,000 and 29,400 hours, respectively, of donated professional services from attorneys, legal assistants and other professionals. The value of the contributed services recognized as revenue in the accompanying statements of activities for the years ended December 31, 2015 and 2014 was $12,349,173 and $13,262,495, respectively.

These donated professional services relate to the following functional areas:

	2015	2014
Programs:		
Services	$ 11,437,388	$ 11,690,196
Advocacy	863,872	1,384,318
General and administrative	22,750	176,085
Fundraising	5,163	11,896
Total Donated Professional Services	$ 12,329,173	$ 13,262,495

8. Commitments, Risks and Contingencies

Operating Leases

Tahirih entered into a noncancelable lease agreement for its main office space in Falls Church, Virginia that expires on May 1, 2019. Tahirih also had a noncancelable lease agreement for office space in Baltimore, Maryland that expired on August 31, 2015 and was extended through September 30, 2018. Both leases contain a fixed escalation clause for increases in the annual minimum rent at a rate of 3% per year. Tahirih also has a noncancelable lease agreement for office space in Houston, Texas that expires on August 31, 2017. The lease contains a fixed escalation clause for increases in the annual minimum base rent of $0.50 per rentable square foot.

Under GAAP, all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease. The difference between the GAAP rent expense and the required lease payments under these three operating leases are reflected as deferred rent in the accompanying statements of financial position, and are being amortized ratably over the respective terms of the leases.

As of December 31, 2015, the future minimum rental payments under the leases are as follows:

For the Year Ending December 31,	
2016	$ 370,319
2017	350,358
2018	294,296
2019	95,228
Total	$ 1,110,201

Rent expense for the years ended December 31, 2015 and 2014 totaled $369,168 and $370,775, respectively.

Hotel Commitments

Tahirih has entered into agreements with hotels to reserve rooms and facility space for future events scheduled to be held in 2016. In the event of cancellation, Tahirih is required to pay various costs of the hotel rooms as stipulated in the contract, the amounts of which are dependent upon the date of cancellation. As of December 31, 2015, the minimum commitment related to this contract was approximately $76,500, plus tax and service charges.

Concentration of Credit Risk

Tahirih's cash and cash equivalents are held in accounts at certain commercial financial institutions, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation's (FDIC) insured limit of $250,000 per depositor per institution. As of December 31, 2015 and 2014, Tahirih's cash balances exceeded the limit by approximately $805,000 and $264,000, respectively. Tahirih monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash and cash equivalents.

9. Retirement Plan

Tahirih has a defined contribution retirement plan which operated under Section 401(k) of the Internal Revenue Code (the IRC), covering all eligible employees. Employees can make voluntary tax-deferred contributions into Tahirih's 401(k) retirement plan within specified limits. Tahirih did not make any employer contributions to this plan for the years ended December 31, 2015 and 2014.

10. Income Taxes

Tahirih qualifies as a tax-exempt organization under Section 501(c)(3) of the IRC and is classified as a publicly supported organization under Section 509(a)(1) of the IRC. No provision for income taxes is required for the years ended December 31, 2015 and 2014, as Tahirih had no net unrelated business income.

Tahirih 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. Tahirih performed an evaluation of uncertain tax positions for the years ended December 31, 2015 and 2014, and determined that there are no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2015, the statute of limitations for tax years 2012 through 2014 remains open with the U.S. federal jurisdiction and/or the various states and local jurisdictions in which Tahirih files tax returns. Tahirih is not currently under audit by the U.S. Internal Revenue Service. It is Tahirih's policy to recognize interest and penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2015 and 2014, Tahirih had no accruals for interest and/or penalties.

11. Reclassification

Certain 2014 amounts have been reclassified to conform to the 2015 presentation.

12. Subsequent Events

In preparing these financial statements, Tahirih has evaluated events and transactions for potential recognition or disclosure through June 1, 2016, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.