TAHIRIH JUSTICE CENTER®

Financial Statements

For the Years Ended December 31, 2021 and 2020

and

Report Thereon

TAHIRIH JUSTICE CENTER

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For the Years Ended December 31, 2021 and 2020

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tahirih Justice Center

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tahirih Justice Center (Tahirih), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tahirih as of December 31, 2021 and 2020, 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.

Basis for Opinion

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

MARCUMGROUP
MEMBER

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tahirih'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 Tahirih'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.

Marcum LLP

Washington, DC
August 2, 2022

TAHIRIH JUSTICE CENTER

STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 5,522,810	$ 4,895,094
Grants and contributions receivable, net	1,259,216	2,231,904
Prepaid expenses and other	273,395	196,078
Investments	506,734	506,677
Deposits	105,747	79,250
Property and equipment, net	1,173,274	1,286,561
TOTAL ASSETS	$ 8,841,176	$ 9,195,564
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 164,864	$ 219,371
Accrued expenses	505,616	375,271
Deferred revenue	-	56,486
Deferred rent	483,049	228,149
Deferred lease incentive	863,377	954,299
Note payable	1,600,000	1,310,172
TOTAL LIABILITIES	3,616,906	3,143,748
Net Assets		
Without donor restrictions		
Undesignated	2,007,569	3,111,309
Board-designated	1,880,000	1,880,000
Total Without Donor Restrictions	3,887,569	4,991,309
With donor restrictions	1,336,701	1,060,507
TOTAL NET ASSETS	5,224,270	6,051,816
TOTAL LIABILITIES AND NET ASSETS	$ 8,841,176	$ 9,195,564

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

TAHIRIH JUSTICE CENTER

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Donated professional services	$ 13,608,776	$ -	$ 13,608,776	$ 20,417,618	$ -	$ 20,417,618
Grants and contributions	7,944,216	1,136,701	9,080,917	9,155,158	720,507	9,875,665
PPP loan forgiveness	1,310,172	-	1,310,172	-	-	-
Other income	4,292	-	4,292	44,218	-	44,218
Investment income	679	-	679	39,162	-	39,162
Net assets released from restrictions:						
Satisfaction of program restrictions	375,507	(375,507)	-	943,761	(943,761)	-
Satisfaction of time restrictions	485,000	(485,000)	-	1,305,606	(1,305,606)	-
TOTAL REVENUE AND SUPPORT	23,728,642	276,194	24,004,836	31,905,523	(1,528,860)	30,376,663
EXPENSES						
Program Services:						
Services	18,951,280	-	18,951,280	25,988,203	-	25,988,203
Advocacy	1,557,526	-	1,557,526	1,941,520	-	1,941,520
Total Program Services	20,508,806	-	20,508,806	27,929,723	-	27,929,723
Supporting Services:						
General and administrative	2,863,982	-	2,863,982	2,692,691	-	2,692,691
Fundraising	1,459,594	-	1,459,594	1,605,582	-	1,605,582
Total Supporting Services	4,323,576	-	4,323,576	4,298,273	-	4,298,273
TOTAL EXPENSES	24,832,382	-	24,832,382	32,227,996	-	32,227,996
CHANGE IN NET ASSETS	(1,103,740)	276,194	(827,546)	(322,473)	(1,528,860)	(1,851,333)
NET ASSETS, BEGINNING OF YEAR	4,991,309	1,060,507	6,051,816	5,313,782	2,589,367	7,903,149
NET ASSETS, END OF YEAR	$ 3,887,569	$ 1,336,701	$ 5,224,270	$ 4,991,309	$ 1,060,507	$ 6,051,816

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

TAHIRIH JUSTICE CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Services			Supporting Services			
	Services	Advocacy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Donated professional services	$ 13,215,488	$ 279,473	$ 13,494,961	$ 111,294	$ 2,521	$ 113,815	$ 13,608,776
Salaries	3,376,549	876,969	4,253,518	1,697,904	923,433	2,621,337	6,874,855
Fringe benefits and payroll taxes	803,371	208,654	1,012,025	403,977	219,709	623,686	1,635,711
Occupancy	367,979	95,573	463,552	185,039	100,636	285,675	749,227
Subrecipients and coalition partners	450,036	-	450,036	-	-	-	450,036
Other professional services	1,016	10,548	11,564	179,531	76,468	255,999	267,563
Client expenses and support	258,257	337	258,594	-	-	-	258,594
Equipment rental, maintenance and software	124,933	32,448	157,381	62,823	34,167	96,990	254,371
Depreciation and amortization	82,778	21,499	104,277	41,625	22,638	64,263	168,540
Outreach and education	126,050	278	126,328	374	31,560	31,934	158,262
Other	13,984	3,685	17,669	116,214	4,764	120,978	138,647
Subscriptions, dues and fees	36,257	9,417	45,674	18,232	9,916	28,148	73,822
Telephone	32,883	8,540	41,423	16,535	8,993	25,528	66,951
Insurance	23,374	2,659	26,033	5,942	3,191	9,133	35,166
Postage and delivery	14,841	3,855	18,696	7,463	4,059	11,522	30,218
Staff training	11,554	1,451	13,005	6,803	2,489	9,292	22,297
Printing and copying	4,385	479	4,864	3,779	13,204	16,983	21,847
Supplies	6,395	1,661	8,056	3,216	1,749	4,965	13,021
Travel	1,150	-	1,150	3,231	97	3,328	4,478
TOTAL EXPENSES	$ 18,951,280	$ 1,557,526	$ 20,508,806	$ 2,863,982	$ 1,459,594	$ 4,323,576	$ 24,832,382

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

TAHIRIH JUSTICE CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services			Supporting Services			
	Services	Advocacy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Donated professional services	$ 19,958,098	$ 430,584	$ 20,388,682	$ 23,903	$ 5,033	$ 28,936	$ 20,417,618
Salaries	3,850,065	962,650	4,812,715	1,780,057	1,143,654	2,923,711	7,736,426
Fringe benefits and payroll taxes	807,902	202,003	1,009,905	373,529	239,986	613,515	1,623,420
Occupancy	287,395	71,859	359,254	132,876	85,370	218,246	577,500
Subrecipients and coalition partners	378,934	-	378,934	-	-	-	378,934
Other professional services	28,174	69,720	97,894	93,629	4,613	98,242	196,136
Client expenses and support	338,660	706	339,366	10	-	10	339,376
Equipment rental, maintenance and software	115,443	28,865	144,308	53,374	34,292	87,666	231,974
Depreciation and amortization	53,382	13,347	66,729	24,680	15,857	40,537	107,266
Outreach and education	11,031	127,715	138,746	3,274	32,474	35,748	174,494
Other	4,370	928	5,298	86,015	2,226	88,241	93,539
Subscriptions, dues and fees	36,166	9,043	45,209	16,721	10,743	27,464	72,673
Telephone	32,369	8,093	40,462	14,966	9,615	24,581	65,043
Insurance	24,602	1,838	26,440	5,130	2,502	7,632	34,072
Postage and delivery	17,548	4,388	21,936	8,113	5,212	13,325	35,261
Staff training	19,085	2,658	21,743	20,824	3,297	24,121	45,864
Printing and copying	4,551	2,356	6,907	26,295	4,287	30,582	37,489
Supplies	13,070	3,268	16,338	6,043	3,882	9,925	26,263
Travel	7,358	1,499	8,857	23,252	2,539	25,791	34,648
TOTAL EXPENSES	$ 25,988,203	$ 1,941,520	$ 27,929,723	$ 2,692,691	$ 1,605,582	$ 4,298,273	$ 32,227,996

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

TAHIRIH JUSTICE CENTER

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (827,546)	$ (1,851,333)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Discount on pledges receivable	527	(8,770)
Provision for doubtful pledges receivable	(7,750)	(8,500)
PPP loan forgiveness	(1,310,172)	-
Depreciation and amortization	168,540	107,266
Realized and unrealized gains from investments	(57)	(2,592)
Changes in assets and liabilities:		
Grants and contributions receivable	979,911	698,491
Prepaid expenses and other	(77,317)	34,824
Deposits	(26,497)	(8,987)
Accounts payable	(54,507)	(39,540)
Accrued expenses	130,345	(78,111)
Deferred revenue	(56,486)	7,366
Deferred lease incentive	(90,922)	954,299
Deferred rent	254,900	228,149
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(917,031)	32,562
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	-	1,716,932
Purchases of property and equipment	(55,253)	(1,217,722)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(55,253)	499,210
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of note payable	1,600,000	1,310,172
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,600,000	1,310,172
NET INCREASE IN CASH AND CASH EQUIVALENTS	627,716	1,841,944
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,895,094	3,053,150
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,522,810	$ 4,895,094
NONCASH FINANCING ACTIVITIES		
PPP loan forgiveness	$ 1,310,172	$ -

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, girls, and other immigrant survivors fleeing gender-based violence to access justice through direct legal services, social services case management, bridge-building policy advocacy, and research-based training and education.

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 services case management 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 collaborates with attorneys at top law firms who donate their time to represent clients through Tahirih's Pro Bono Attorney Network. Since opening its doors in 1997, Tahirih has assisted over 30,000 immigrant survivors fleeing abuse. Even while handling a high volume of complex cases, Tahirih maintains a 99% success record – a measure of Tahirih's dedication to excellence and to its clients, as well as the compelling nature of its clients' cases.

Advocacy**:** Through its unusual approach to advocacy rooted in its direct services experiences, Tahirih seeks to amplify the voices of the women, girls, and other immigrant survivors 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, girls, and other immigrant survivors. 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 women, girls, and other immigrant survivors, including asylum for women and girls fleeing gender-based persecution, forced marriage, female genital mutilation/cutting and other issues.

Basis of Accounting

The accompanying financial statements of Tahirih are presented on the accrual basis of accounting in accordance with accounting principles generally accepted 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.

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

Grants and Contributions Receivable

Unconditional 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.

Investments

Investments consist of a money market fund 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.

Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, 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 measurement 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.
>
> *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.

See Note 4 of these financial statements for assets that were measured at fair value on a recurring basis.

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

Property, Equipment and Related Depreciation and Amortization

Property and equipment with a useful life of more than one year and an acquisition cost greater than $5,000 are capitalized at cost. Depreciation and amortization on software and web design, office equipment, computers, and furniture 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:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of Tahirih at the discretion of Tahirih's management and the Board of Directors (the Board). From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. As of December 31, 2021 and 2020, the Board has designated $1,880,000 of net assets without donor restrictions to serve as an operating reserve to secure Tahirih's long-term financial viability.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of Tahirih or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2021 and 2020, Tahirih had no net assets with donor restrictions that are required to be maintained in perpetuity.

Revenue Recognition

Tahirih recognizes all unconditional contributed support in the period in which the unconditional commitment is made, including the portion of gala donations that exceed the value given by the donor. Gala donations to the extent of the benefits received by the donor, are recognized at the point in time that the event occurs. Unconditional grants and contributions are considered revenue and support without donor restrictions and available for general operations unless specifically restricted by the donor. Tahirih reports unconditional grants of cash and other assets as revenue and support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets to a particular purpose or to future periods. When the stipulated time restriction ends or the purpose of the restriction

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

is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Tahirih has elected to reflect donor-restricted contributions whose restrictions are met in the same reporting period in which they are promised as support without donor restrictions in the accompanying statements of activities.

Revenue recognized on unconditional 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. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

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 promised grants and contributions are to be received and are adjusted annually.

Tahirih has cost-reimbursable grants and contracts with U.S. government and state agencies which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as support when Tahirih has incurred expenditures in compliance with specific grant or contract provisions. 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.

Paycheck Protection Program (PPP) loan forgiveness was recognized as revenue in the period the loan was forgiven by the Small Business Association (SBA).

Donated Professional Services

Unconditional 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.

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 functional expenses. Expenses directly attributed to a specific functional area are reported as expenses of that functional area, while shared costs that benefit multiple functional areas have been allocated among the functional areas based on estimates determined by management to be reasonable. Direct salaries are allocated based on time sheets. All shared costs are allocated based on direct salaries. Shared costs include fringe benefits; occupancy; equipment and software; subscriptions; dues and fees; and other expenses.

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

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.

2. Grants and Contributions Receivable

Grants and contributions receivable consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Nonfederal grants and contributions	$ 1,037,250	$ 1,114,377
Federal grants	228,210	1,130,994
Total Grants and Contributions Receivable	1,265,460	2,245,371
Less: Discount on Multiyear Pledges	(1,244)	(717)
Less: Allowance for Doubtful Accounts	(5,000)	(12,750)
Grants and Contributions Receivable, Net	$ 1,259,216	$ 2,231,904

Nonfederal grants receivable as of December 31, 2021 and 2020, are shown at the present value of estimated future cash flows using discount rates of 1.26% and .36%, respectively, which are based on available data for the three-month U.S. T-bill rate as of December 31, 2021 and 2020.

Federal grants receivable are all expected to be collected in less than one year. Nonfederal grants and contributions receivable represent amounts due from individual donors and foundations. As of December 31, 2021 and 2020, the amounts were scheduled to be paid as follows:

	2021	2020
Less than one year	$ 937,250	$ 944,377
One to five years	100,000	170,000
Total Nonfederal Grants and Contributions Receivable	$ 1,037,250	$ 1,114,377

As of December 31, 2021 and 2020, revenue from cost-reimbursable grants of $3,747,906 and $2,943,853 had not been recognized in the accompanying statements of activities because the conditions (qualifying expenditures) on which they depend have not yet been met.

3. Property and Equipment and Accumulated Depreciation and Amortization

Tahirih's property and equipment consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Leasehold improvements	$ 1,280,092	$ 1,275,163
Software and web design	155,705	228,729
Office equipment	51,390	97,650
Computers	32,141	61,021
Furniture	-	7,204
Total Property and Equipment	1,519,328	1,669,767
Less: Accumulated Depreciation and Amortization	(346,054)	(383,206)
Property and Equipment, Net	$ 1,173,274	$ 1,286,561

Depreciation and amortization expense totaled $168,540 and $107,266 for the years ended December 31, 2021 and 2020, respectively.

4. Fair Value Measurement

The following tables summarize Tahirih's assets measured at fair value on a recurring basis as of December 31, 2021 and 2020, aggregated by the fair value hierarchy level with which those measurements were made:

2021	Total Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market fund	$ 506,734	$ 506,734	$ -	$ -
Total Investments	$ 506,734	$ 506,734	$ -	$ -

2020	Fair Value	(Level 1)	(Level 2)	(Level 3)
Money market fund	$ 506,677	$ 506,677	$ -	$ -
Total Investments	$ 506,677	$ 506,677	$ -	$ -

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

Money market fund – These instruments are valued using the net asset value of shares held at year-end and based on quoted market prices in active markets. Where quoted prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy.

5. Note Payable

On May 3, 2020, Tahirih entered into a Small Business Administration (SBA) loan with its financial institution under the Paycheck Protection Program (PPP) for the amount of $1,310,172. The loan amount was eligible for forgiveness pursuant to the PPP, which established minimum amounts of the loan to be used to cover payroll costs and the remainder could be used for mortgage interest, rent and utility costs over a specified period of time after the loan is made; and the number of employees and compensation levels are maintained. Tahirih applied for forgiveness and on August 6, 2021, Tahirih was notified that their full loan amount was forgiven by the SBA and is shown as PPP loan forgiveness in the accompanying statement of activities during the year ended December 31, 2021.

On March 29, 2021, Tahirih entered into an agreement for a second draw PPP loan with the same financial institution in the amount of $1,600,000. The loan will mature on March 29, 2026, with a fixed interest rate of 1% per annum. Similar to the first draw PPP loan, all or a portion of the loan be eligible of forgiveness pursuant to the PPP requirements. On February 8, 2022, Tahirih was notified that their full loan amount was forgiven by the SBA and will be recognized as loan forgiveness during the year ending December 31, 2022.

6. Net Assets

Net Assets Without Donor Restrictions

Tahirih's net assets without donor restrictions are composed of undesignated amounts and board-designated amounts for an operating reserve. As of December 31, 2021 and 2020, Tahirih's net assets without donor restrictions were as follows:

	2021	2020
Undesignated – operating	$ 2,007,569	$ 3,111,309
Board-designated – reserve fund	1,880,000	1,880,000
Total Net Assets Without Donor Restrictions	$ 3,887,569	$ 4,991,309

Net Assets With Donor Restrictions

As of December 31, 2021 and 2020 net assets with donor restrictions were restricted for purposes or time periods as follows:

	2021	2020
Subject to expenditure for specified purpose:		
Services:		
San Francisco	$ 113,167	188,007
Greater Washington, D.C.	59,167	30,000
Houston	29,167	157,500
Afghanistan project	225,200	
Total Subject to Expenditure for Specified Purpose	426,701	375,507

6. Net Assets (continued)

Net Assets With Donor Restrictions (continued)

	2021	2020
(continued)		
Subject to the passage of time:		
Time-restricted for general operating use in future years	$ 910,000	$ 685,000
Total Subject to Passage of Time	910,000	685,000
Total Net Assets With Donor Restrictions	$ 1,336,701	$ 1,060,507

7. Donated Professional Services

Tahirih estimated that it received, during the years ended December 31, 2021 and 2020, approximately 23,500 and 37,100 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 totaled $13,608,776 and $20,417,618 for the years ended December 31, 2021 and 2020, respectively.

These donated professional services relate to the following functional areas:

	2021	2020
Programs:		
Services	$ 13,215,488	$ 19,958,098
Advocacy	279,473	430,584
General and administrative	111,294	23,903
Fundraising	2,521	5,033
Total Donated Professional Services	$ 13,608,776	$ 20,417,618

8. Commitments, Risks and Contingencies

Operating Leases

Tahirih entered into a noncancelable lease agreement for its main office space in Falls Church, Virginia, that expired on May 1, 2019. In July 2018, Tahirih signed an amendment to add additional office space through May 1, 2019. In April 2019, Tahirih signed a second amendment to extend the lease term of both spaces through February 2020 or, if a new lease is executed with the current landlord, ending this lease when the new lease commences. In September 2019, Tahirih signed a lease with the current landlord to rent a similar office space through July 2031. The lease commenced in July 2020 with rent abated through July 31, 2021. The lease contains a fixed escalation clause for increases in the annual minimum base rent of approximately 2.7%. The lease contains a tenant improvement allowance of $999,700 as an incentive to enter into the lease. Upon signing the new lease in September 2019, a third amendment was also signed to extend the original lease and the additional space until the

8. Commitments, Risks and Contingencies (continued)

Operating Leases (continued)

commencement date of the new space. 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. During 2018, Tahirih entered into a new noncancelable lease for office space in Baltimore that expires on December 31, 2023. In November 2016, Tahirih entered into a noncancelable lease agreement for an office in San Francisco, California, that was set to expire on November 30, 2021. On August 22, 2019, Tahirih entered into an amendment to expand the lease for additional space subleased from an adjacent tenant effective June 1, 2021 and extend the term until May 31, 2023. Each of these leases contains a fixed escalation clause for increases in the annual minimum rent at a rate of 3% per year. Tahirih also had a noncancelable lease agreement for office space in Houston, Texas, that expired on August 31, 2017. This lease was renewed for another 66 months and expires on February 28, 2023. The lease contains a fixed escalation clause for increases in the annual minimum base rent of $0.50 per rentable square foot. Tahirih entered into a noncancelable lease agreement for an office in Atlanta, Georgia, that expires on February 28, 2024. Annual rental expense contains a fixed escalation clause for increases in the annual minimum rent at a rate of 3% per year.

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 operating leases is reflected as deferred rent in the accompanying statements of financial position, and is being amortized ratably over the respective terms of the leases.

As of December 31, 2021, the future minimum rental payments under these leases were as follows:

For the Year Ending December 31,	
2022	$ 707,930
2023	594,593
2024	468,556
2025	468,161
2026	481,036
Thereafter	2,377,843
Total	$ 5,098,119

Rent expense, which is included in occupancy in the accompanying statements of functional expenses, for the years ended December 31, 2021 and 2020, totaled $695,429 and $511,552, respectively.

8. Commitments, Risks and Contingencies (continued)

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 insured limit of $250,000 per depositor per institution. As of December 31, 2021 and 2020, Tahirih's cash balances exceeded the limit by approximately $4,544,000 and $2,794,000 respectively. Tahirih monitors the creditworthiness of these institutions, and has not experienced any credit losses on its cash and cash equivalents.

Compliance Audit

Tahirih has received federal grants that are subject to review, audit and adjustment by state and federal agencies for qualifying expenses charged to the grants. Such audits could lead to requests for reimbursement to the state or federal agency for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the state or federal agencies cannot be determined at this time, although Tahirih expects such amounts, if any, to be insignificant.

Risk and Uncertainty

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic that continues to spread throughout the United States. The COVID-19 pandemic has developed rapidly in 2020, with a significant number of individual cases that has had a material impact on economic activity. Tahirih has taken measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its people and its clients, including social distancing and work from home policies. Tahirih has been able to continue operations in a remote and hybrid environment; however, at this point, management does not know the full extent of the impact on Tahirih's financial condition and is continuing to monitor the situation closely.

9. Availability and Liquidity

Tahirih regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. Tahirih's financial assets available within one year of the statement of financial position date for general expenditures at December 31, 2021 and 2020, were as follows:

	2021	2020
Financial assets available at year-end:		
Cash and cash equivalents	$ 5,522,810	$ 4,895,094
Grants and contributions receivable, net	1,259,216	2,231,904
Investments	506,734	506,677
Total Financial Assets Available Within One Year	7,288,760	7,633,675

9. Availability and Liquidity (continued)

(continued)		
Less:		
Amounts unavailable for general expenditures within one year due to donor purpose restrictions	$ (408,201)	$ (103,507)
Amounts unavailable to management without Board approval:		
Board-designated for working operating reserve	(1,880,000)	(1,880,000)
Financial Assets Available To Meet General Expenditures Within One Year	$ 5,000,559	$ 5,650,168

Tahirih has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management focuses on maintaining the financial liquidity of Tahirih throughout the year by monitoring Tahirih's cash flow needs on a quarterly basis. Management is aware of the cyclical nature of Tahirih's cash flow related to various funding sources and is therefore able to ensure that cash is available to meet current liquidity needs. As part of Tahirih's liquidity plan, excess cash is invested in money market funds or certificates of deposit. Management can liquidate these investments at any time, and therefore considers the investments to be available to meet current cash flow needs. Additionally, Tahirih has board-designated net assets in reserve which could be available for current operations with Board approval, if necessary.

10. Retirement Plan

Tahirih has a defined contribution retirement plan which is 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 provides a discretionary employer contribution based on eligible employee salaries vesting over five years. Tahirih contributed 2.5% for the years ending December 31, 2021 and 2020, which resulted in employer contributions to the plan of $161,383 and $170,827, respectively.

11. 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, 2021 and 2020, as unrelated business income was insignificant.

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

11. Income Taxes (continued)

derecognition of tax positions taken or expected to be taken in a tax return. Tahirih evaluated its uncertainty in income taxes for the years ended December 31, 2021 and 2020, and determined that there were no matters that would require recognition in the financial statements or that may have an effect on its tax-exempt status. As of December 31, 2021, the statute of limitations for certain tax years remained open with the U.S. federal jurisdiction and/or the various states and local jurisdictions in which Tahirih files tax returns. It is Tahirih's policy to recognize interest and penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of December 31, 2021 and 2020, Tahirih had no accruals for interest and/or penalties. There are currently no examinations, pending or in progress, regarding Tahirih's tax returns.

12. Subsequent Events

In preparing these financial statements, Tahirih has evaluated, for potential recognition or disclosure, events and transactions through August 2, 2022, the date the financial statements were available to be issued. Except as disclosed in Note 5 regarding the forgiveness of the second PPP loan, there were no other subsequent events identified which are required to be recognized or disclosed in these financial statements.