TAHIRIH JUSTICE CENTER®

Financial Statements

For the Years Ended December 31, 2023 and 2022

and
Report Thereon

TAHIRIH JUSTICE CENTER

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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, 2023 and 2022, 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, 2023 and 2022, 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 within one year after the date that the financial statements are available to be issued.

Marcum LLP / 1899 L Street, NW / Suite 850 / Washington, DC 20036 / **Phone** 202.227.4000 / **marcumllp.com**

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 audits.

Marcum LLP

Washington, DC
June 28, 2024

TAHIRIH JUSTICE CENTER

STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 1,063,178	$ 559,577
Grants and contributions receivable, net	3,262,865	2,909,501
Prepaid expenses and other	120,534	100,541
Investments	321,567	2,505,589
Deposits	128,871	121,900
Property and equipment, net	883,638	1,009,323
Right-of-use assets	3,294,271	2,844,801
TOTAL ASSETS	$ 9,074,924	$ 10,051,232
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 330,040	$ 239,108
Accrued expenses	336,548	370,039
Deferred revenue	31,416	34,808
Lease liabilities	4,467,174	4,081,012
TOTAL LIABILITIES	5,165,178	4,724,967
Net Assets		
Without donor restrictions		
Undesignated	510,528	1,122,809
Board-designated	1,880,000	1,880,000
Total Without Donor Restrictions	2,390,528	3,002,809
With donor restrictions	1,519,218	2,323,456
TOTAL NET ASSETS	3,909,746	5,326,265
TOTAL LIABILITIES AND NET ASSETS	$ 9,074,924	$ 10,051,232

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

TAHIRIH JUSTICE CENTER

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Donated professional services	$ 25,881,734	$ -	$ 25,881,734	$ 60,052,115	$ -	$ 60,052,115
Grants and contributions	9,006,197	703,000	9,709,197	8,152,524	2,304,167	10,456,691
PPP loan forgiveness	-	-	-	1,600,000	-	1,600,000
Other income	7,098	-	7,098	9,911	-	9,911
Investment income	62,652	-	62,652	865	-	865
Net assets released from restrictions:						-
Satisfaction of program restrictions	298,905	(298,905)	-	235,079	(235,079)	-
Satisfaction of time restrictions	1,208,333	(1,208,333)	-	1,082,333	(1,082,333)	-
TOTAL REVENUE AND SUPPORT	36,464,919	(804,238)	35,660,681	71,132,827	986,755	72,119,582
EXPENSES						
Program Services:						
Services	31,929,622	-	31,929,622	65,323,286	-	65,323,286
Advocacy	1,856,523	-	1,856,523	2,238,986	-	2,238,986
Total Program Services	33,786,145	-	33,786,145	67,562,272	-	67,562,272
Supporting Services:						
General and administrative	2,511,226	-	2,511,226	2,822,353	-	2,822,353
Fundraising	779,829	-	779,829	1,632,962	-	1,632,962
Total Supporting Services	3,291,055	-	3,291,055	4,455,315	-	4,455,315
TOTAL EXPENSES	37,077,200	-	37,077,200	72,017,587	-	72,017,587
CHANGE IN NET ASSETS	(612,281)	(804,238)	(1,416,519)	(884,760)	986,755	101,995
NET ASSETS, BEGINNING OF YEAR	3,002,809	2,323,456	5,326,265	3,887,569	1,336,701	5,224,270
NET ASSETS, END OF YEAR	$ 2,390,528	$ 1,519,218	$ 3,909,746	$ 3,002,809	$ 2,323,456	$ 5,326,265

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

TAHIRIH JUSTICE CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services			Supporting Services			
	Services	Advocacy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Donated professional services	$ 25,394,136	$ 479,559	$ 25,873,695	$ 8,039	$ -	$ 8,039	$ 25,881,734
Salaries	3,783,149	887,095	4,670,244	1,662,095	511,453	2,173,548	6,843,792
Fringe benefits and payroll taxes	1,044,864	279,868	1,324,732	355,464	119,394	474,858	1,799,590
Occupancy	419,211	98,299	517,510	184,177	56,674	240,851	758,361
Subrecipients and coalition partners	461,546	-	461,546	-	-	-	461,546
Other professional services	109,895	12,562	122,457	121,591	10,513	132,104	254,561
Client expenses and support	234,435	8,713	243,148	-	-	-	243,148
Equipment rental, maintenance and software	132,529	31,076	163,605	58,225	17,917	76,142	239,747
Depreciation and amortization	81,223	19,046	100,269	35,685	10,981	46,666	146,935
Outreach and education	92,148	2,578	94,726	-	31,412	31,412	126,138
Telephone	47,312	11,094	58,406	20,786	6,396	27,182	85,588
Staff training	33,144	4,342	37,486	19,978	1,970	21,948	59,434
Subscriptions, dues and fees	32,573	7,638	40,211	14,311	4,404	18,715	58,926
Insurance	16,373	3,839	20,212	7,193	2,213	9,406	29,618
Postage and delivery	13,872	3,253	17,125	6,094	1,875	7,969	25,094
Travel	11,464	2,461	13,925	8,033	1,687	9,720	23,645
Other	8,884	2,083	10,967	3,903	1,201	5,104	16,071
Printing and copying	7,317	1,716	9,033	3,215	989	4,204	13,237
Supplies	5,547	1,301	6,848	2,437	750	3,187	10,035
TOTAL EXPENSES	$ 31,929,622	$ 1,856,523	$ 33,786,145	$ 2,511,226	$ 779,829	$ 3,291,055	$ 37,077,200

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

TAHIRIH JUSTICE CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Services			Supporting Services			
	Services	Advocacy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Donated professional services	$ 59,008,347	$ 986,706	$ 59,995,053	$ 57,062	$ -	$ 57,062	$ 60,052,115
Salaries	3,488,558	836,268	4,324,826	1,791,006	1,016,390	2,807,396	7,132,222
Fringe benefits and payroll taxes	860,717	206,311	1,067,028	441,849	250,748	692,597	1,759,625
Occupancy	339,947	83,143	423,090	178,065	101,052	279,117	702,207
Subrecipients and coalition partners	410,440	-	410,440	-	-	-	410,440
Other professional services	221,572	31,375	252,947	127,078	76,190	203,268	456,215
Client expenses and support	318,205	2,098	320,303	-	-	-	320,303
Equipment rental, maintenance and software	134,941	32,345	167,286	69,272	39,312	108,584	275,870
Depreciation and amortization	80,196	19,223	99,419	41,169	23,363	64,532	163,951
Outreach and education	297,128	1,588	298,716	-	76,560	76,560	375,276
Telephone	39,344	9,431	48,775	20,197	11,462	31,659	80,434
Staff training	25,054	4,733	29,787	8,104	3,579	11,683	41,470
Subscriptions, dues and fees	39,069	9,365	48,434	20,056	11,382	31,438	79,872
Insurance	17,631	4,226	21,857	9,051	5,136	14,187	36,044
Postage and delivery	13,154	3,153	16,307	6,753	3,832	10,585	26,892
Travel	2,743	1,712	4,455	7,624	2,530	10,154	14,609
Other	7,345	2,780	10,125	35,367	5,921	41,288	51,413
Printing and copying	12,394	2,971	15,365	6,363	3,611	9,974	25,339
Supplies	6,501	1,558	8,059	3,337	1,894	5,231	13,290
TOTAL EXPENSES	$ 65,323,286	$ 2,238,986	$ 67,562,272	$ 2,822,353	$ 1,632,962	$ 4,455,315	$ 72,017,587

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

TAHIRIH JUSTICE CENTER

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (1,416,519)	$ 101,995
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Discount on pledges receivable	(26,089)	25,393
Provision for doubtful pledges receivable	(800)	800
Amortization of right-of-use assets	519,837	532,575
PPP loan forgiveness	-	(1,600,000)
Depreciation and amortization	146,935	163,951
Realized and unrealized (gains) losses from investments	(17,312)	614
Changes in assets and liabilities:		
Grants and contributions receivable	(326,475)	(1,676,478)
Prepaid expenses and other	(19,993)	172,854
Deposits	(6,971)	(16,153)
Accounts payable	90,932	74,244
Accrued expenses	(33,491)	(135,577)
Deferred revenue	(3,392)	34,808
Lease liabilities	(583,145)	(642,790)
NET CASH USED IN OPERATING ACTIVITIES	(1,676,483)	(2,963,764)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	2,471,358	500,000
Purchases of investments	(270,024)	(2,499,469)
Purchases of property and equipment	(21,250)	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	2,180,084	(1,999,469)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	503,601	(4,963,233)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	559,577	5,522,810
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,063,178	$ 559,577
SUPPLEMENTAL CASH FLOW INFORMATION		
NONCASH FINANCING ACTIVITIES		
PPP loan forgiveness	$ -	$ 1,600,000
NONCASH INVESTING ACTIVITIES		
Right-of-use asset obtained in exchange for operating lease liability	$ 969,307	$ -

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

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

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 collectability and written off when all collection efforts are exhausted.

Right-of-Use Assets and Lease Liabilities

At the inception of an agreement, Tahirih evaluates whether the agreement meets the criteria for a lease. Right-of-use assets (ROU) and lease liabilities are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using a risk free rate of return that coincides with the date and term of the lease and is adjusted for lease incentives. The asset is amortized over the lease term and is reflected as occupancy expense in the accompanying financial statements. The lease liability is reduced as cash payments are made under the terms of the lease. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the statements of financial position. Instead, the lease payments of those leases are reported as occupancy expense on a straight-line basis over the lease term.

Investments

Investments consist of a money market fund and fixed income 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.

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.

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

Fair Value Measurement (continued)

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

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, 2023 and 2022, 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

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

Classification of Net Assets (continued)

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, 2023 and 2022, 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 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).

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

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.

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, 2023 and 2022:

	2023	2022
Nonfederal grants and contributions	$ 2,250,086	$ 2,595,585
Federal grants	1,018,327	346,353
Total Grants and Contributions Receivable	3,268,413	2,941,938
Less: Discount on Multiyear Pledges	(548)	(26,637)
Less: Allowance for Doubtful Accounts	(5,000)	(5,800)
Grants and Contributions Receivable, Net	$ 3,262,865	$ 2,909,501

Nonfederal grants receivable as of December 31, 2023 and 2022, are shown at the present value of estimated future cash flows using discount rates between 4.23% and 3.99%, respectively, which are based on available data for the three-month U.S. T-bill rate as of December 31, 2023 and 2022.

2. Grants and Contributions Receivable (continued)

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, 2023 and 2022, the amounts were scheduled to be paid as follows:

	2023	2022
Less than one year	$ 2,240,086	$ 1,915,585
One to five years	10,000	680,000
Total Nonfederal Grants and Contributions Receivable	$ 2,250,086	$ 2,595,585

As of December 31, 2023 and 2022, revenue from cost-reimbursable grants of approximately $3,909,000 and $4,720,000 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, 2023 and 2022:

	2023	2022
Leasehold improvements	$ 1,264,705	$ 1,280,092
Software and web design	176,955	155,705
Office equipment	51,390	51,390
Computers	32,141	32,141
Total Property and Equipment	1,525,191	1,519,328
Less: Accumulated Depreciation and Amortization	(641,553)	(510,005)
Property and Equipment, Net	$ 883,638	$ 1,009,323

Depreciation and amortization expense totaled $146,935 and $163,951 for the years ended December 31, 2023 and 2022, respectively.

4. Leases

Tahirih entered into a noncancelable lease agreement for office space in Falls Church, Virginia that commenced in December 2019 and expires in June 2031. The lease includes certain incentives, including a twelve-month rent abatement, and an annual escalation clause. Tahirih recorded a lease liability equal to the present value of the future payments under the terms of the lease, discounted at a risk free rate of return of 1.52%.

4. Leases (continued)

Tahirih entered into a noncancelable lease agreement for office space in Baltimore, Maryland that commenced in September 2018 and expired in December 2023. The lease includes certain incentives, including a four-month rent abatement, and an annual escalation clause. Tahirih recorded a lease liability equal to the present value of the future payments under the terms of the lease, discounted at a risk free rate of return of 1.52%. In December of 2023 this lease was renewed through December 31, 2028. Tahirih recorded the extended lease liability equal to the present value of the future payments under the terms of the amended lease, discounted at a risk free rate of return of 3.95%.

Tahirih entered into a noncancelable lease agreement for office space in San Francisco, California that commenced in September 2017, and expired in February 2023. The lease includes certain incentives, including an eight-month rent abatement, and an annual escalation clause. Tahirih recorded a lease liability equal to the present value of the future payments under the terms of the lease, discounted at a risk free rate of return of 1.52%. In March of 2023, this lease was renewed through May 31, 2028. Tahirih recorded the extended lease liability equal to the present value of the future payments under the terms of the amended lease, discounted at a risk free rate of return of 3.5%.

Tahirih entered into a noncancelable lease agreement for office space in Houston, Texas, that commenced in December 2016, and expired in April 2024. The lease includes certain incentives, including an eight-month rent abatement, and an annual escalation clause. Tahirih recorded a lease liability equal to the present value of the future payments under the terms of the lease, discounted at a risk free rate of return of 1.52%. In May 2022, this building was sold and in February 2023, a lease with the new landlord was signed extending the lease through June 30, 2028. Tahirih recorded the extended lease liability equal to the present value of the future payments under the terms of the amended lease, discounted at a risk free rate of return of 4.01%.

Tahirih entered into a noncancelable lease agreement for office space in Atlanta, Georgia that commenced in November 2018, and expires in March 2024. The lease includes certain incentives, including a five-month rent abatement, and an annual escalation clause. In March of 2024 this lease was extended through September 30, 2024.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of December 31, 2023 and 2022:

	2023	2022
Operating right-of-use assets	$ 3,294,271	$ 2,844,801
Operating lease liabilities	$ 4,467,174	$ 4,081,012

4. Leases (continued)

As of December 31, 2023, future minimum lease payments under the leases are as follows:

For the Year Ending December 31,	
2024	$ 655,654
2025	678,106
2026	716,863
2027	737,242
2028	642,238
Thereafter	1,332,730
Total	4,762,833
Lease: Present Value Discount	(295,659)
Total	$ 4,467,174

Other information related to the operating leases as of December 31, 2023:

Weighted average remaining lease term	3.87 years
Weighted average discount rate	1.99%

Rent expense, which is included in occupancy expense on the accompanying statements of functional expenses was $706,846 and $663,328, respectively, for the years ended December 31, 2023 and 2022. Cash paid for operating leases for the years end December 31, 2023 and 2022 totaled $670,538 and $708,908, respectively.

5. Fair Value Measurement

The following tables summarize Tahirih's assets measured at fair value on a recurring basis as of December 31, 2023 and 2022, aggregated by the fair value hierarchy level with which those measurements were made:

2023	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 71,457	$ 71,457	$ -	$ -
Fixed income securities	250,110	-	250,110	-
Total Investments	$ 321,567	$ 71,457	$ 250,110	$ -

5. Fair Value Measurement (continued)

2022	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 762,739	$ 762,739	$ -	$ -
Fixed income securities	1,742,850	-	1,742,850	-
Total Investments	$ 2,505,589	$ 762,739	$ 1,742,850	$ -

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

Mutual funds – 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.

Fixed income – These investments consist of certificates of deposit and are recorded at amortized cost which approximates fair value.

6. Note Payable

On March 29, 2021, Tahirih entered into an agreement for a second PPP loan in the amount of $1,600,000. On February 8, 2022, 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, 2022.

7. 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, 2023 and 2022, Tahirih's net assets without donor restrictions were as follows:

	2023	2022
Undesignated – operating	$ 510,528	$ 1,122,809
Board-designated – reserve fund	1,880,000	1,880,000
Total Net Assets Without Donor Restrictions	$ 2,390,528	$ 3,002,809

7. Net Assets (continued)

Net Assets With Donor Restrictions

As of December 31, 2023 and 2022 net assets with donor restrictions were restricted for purposes or time periods as follows:

	2023	2022
Subject to expenditure for specified purpose:		
Services:		
San Francisco	$ 190,500	$ 75,000
Baltimore	12,500	-
Fellowships	165,000	359,167
Houston	-	100,000
Afghanistan project	67,884	339,289
Total Subject to Expenditure for Specified Purpose	435,884	873,456
Subject to the passage of time:		
Time-restricted for general operating use in future years	1,083,334	1,450,000
Total Subject to Passage of Time	1,083,334	1,450,000
Total Net Assets With Donor Restrictions	$ 1,519,218	$ 2,323,456

8. Donated Professional Services

Tahirih estimated that it received, during the years ended December 31, 2023 and 2022, approximately 24,312 and 71,200 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 $25,881,734 and $60,052,115 for the years ended December 31, 2023 and 2022, respectively. There were no donor restrictions related to the in-kind contributions and Tahirih does not sell the in-kind goods or services.

These donated professional services relate to the following functional areas:

	2023	2022
Programs:		
Services	$ 25,394,136	$ 59,008,347
Advocacy	479,559	986,706
General and administrative	8,039	57,062
Fundraising	-	-
Total Donated Professional Services	$ 25,881,734	$ 60,052,115

9. Commitments, Risks and Contingencies

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, 2023 and 2022, Tahirih's cash balances exceeded the limit by approximately $566,700 and $122,900 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.

10. 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 statements of financial position date for general expenditures at December 31, 2023 and 2022, were as follows:

	2023	2022
Financial assets available at year-end:		
Cash and cash equivalents	$ 1,063,178	$ 559,577
Grants and contributions receivable, net	3,262,865	2,909,501
Investments	321,567	2,505,589
Total Financial Assets Available Within One Year	4,647,610	5,974,667
Less:		
Amounts unavailable for general expenditures within one year due to donor restrictions	-	(583,334)
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	$ 2,767,610	$ 3,511,333

10. Availability and Liquidity

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 as a reserve which could be available for current operations with Board approval, if necessary.

11. Management's Plan

For the past two years, Tahirih has had a negative change in net assets without donor restrictions and for the year ended December 31, 2023, Tahirih had a negative change in total net assets and used a significant portion of its investments to fund operations as the loss was more than what was budgeted. Tahirih's management and Board were aware of this and as a result, during 2023 restructured Tahirih's organizational structure improve efficiency and avoid further unrestricted deficit spending. This resulted in a significant reduction of salaries and benefits expense from the 2023 to 2024 budget. In addition, Tahirih also changed its revenue development strategy to ensure more effective fundraising with a higher return on investment, which included hiring a major gifts officer and reinvigorating stronger relationships with pro-bono law firms to drive in-kind and financial support. Lastly, Tahirih's 2024 revenue budget was very conservative, and most categories are budgeted at amounts less than 2023 actuals; Tahirih is taking appropriate steps to ensure that future years will produce a positive change in net assets and avoiding the use of investments to fund operations. Management and the Finance Committee are meeting regularly to review and discuss the progress of these efforts. Management believes that these actions will enable Tahirih to continue as a going concern.

12. 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 contribution based on eligible employee salaries vesting over five years. Tahirih contributed 2.5% for each of the years ended December 31, 2023 and 2022, which resulted in contributions to the plan of $98,733 and $108,779, respectively.

13. 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, 2023 and 2022, 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 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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, Tahirih had no accruals for interest and/or penalties. There are currently no examinations, pending or in progress, regarding Tahirih's tax returns.

14. Subsequent Events

In preparing these financial statements, Tahirih has evaluated, for potential recognition or disclosure, events and transactions through June 28, 2024, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these financial statements.