

**TAHIRIH JUSTICE CENTER**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**TAHIRIH JUSTICE CENTER  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>2</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>3</b>
<b>STATEMENT OF FUNCTIONAL EXPENSES - 2008</b>	<b>4</b>
<b>STATEMENT OF FUNCTIONAL EXPENSES - 2007</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>7</b>



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Tahirih Justice Center  
Falls Church, Virginia

We have audited the accompanying statement of financial position of Tahirih Justice Center ("Center") as of December 31, 2008, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Tahirih Justice Center as of December 31, 2007 were audited by other auditors whose report dated July 3, 2008, expressed an unqualified opinion on those statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2008 financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Tahirih Justice Center as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*LarsonAllen LLP*  
LarsonAllen LLP

Arlington, Virginia  
July 14, 2009



**TAHIRIH JUSTICE CENTER  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2008 AND 2007**

<b>ASSETS</b>	2008	2007
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 702,426	\$ 841,206
Receivables:		
Grants Receivables	285,219	110,324
Other Receivables	47,103	13,431
Total Receivables	332,322	123,755
Prepaid Expenses	40,125	16,907
Inventory	3,617	4,187
Total Current Assets	1,078,490	986,055
 <b>PROPERTY AND EQUIPMENT</b>		
Furniture and Equipment	64,053	50,670
Less: Accumulated Depreciation	(33,589)	(23,755)
Net Property and Equipment	30,464	26,915
 <b>OTHER ASSETS</b>		
Rent Deposit	17,844	17,031
 Total Assets	\$ 1,126,798	\$ 1,030,001
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 17,205	\$ 17,465
Accrued Expenses	52,844	54,003
Total Liabilities	70,049	71,468
 <b>NET ASSETS</b>		
Unrestricted	933,693	718,795
Temporarily Restricted	123,056	239,738
Total Net Assets	1,056,749	958,533
 Total Liabilities and Net Assets	\$ 1,126,798	\$ 1,030,001

See accompanying Notes to Financial Statements.



**TAHIRIH JUSTICE CENTER  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2008**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Benefits	\$ 777,412	\$ 151,761	\$ 124,970	\$ 1,054,143
Payroll Taxes	50,818	9,920	8,169	68,907
Total Payroll	<u>828,230</u>	<u>161,681</u>	<u>133,139</u>	<u>1,123,050</u>
Professional Services (Includes In-Kind)	6,521,162	45,826	3,805	6,570,793
Rent	97,999	12,307	8,712	119,018
Information Technology	59,513	1,167	14,316	74,996
Other Expenses	8,641	2,092	8,187	18,920
Printing and Publications	13,387	907	4,442	18,736
Direct Client Expenses	12,134	-	-	12,134
Travel	9,645	253	1,394	11,292
Telephone	8,009	1,102	780	9,891
Depreciation Expense	7,220	1,530	1,083	9,833
Postage and Delivery	6,270	445	2,463	9,178
Dues and Subscriptions	6,718	268	519	7,505
Supplies	6,055	458	723	7,236
Insurance	5,788	506	358	6,652
Media	3,799	33	825	4,657
Licenses, Taxes and Fees	2,783	181	211	3,175
Training and Outreach	367	294	735	1,396
Total Expenses	<u>\$ 7,597,720</u>	<u>\$ 229,050</u>	<u>\$ 181,692</u>	<u>\$ 8,008,462</u>

See accompanying Notes to Financial Statements.

**TAHIRIH JUSTICE CENTER  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2007**

	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	\$ 535,274	\$ 103,309	\$ 122,722	\$ 761,305
Payroll Taxes	35,438	6,840	8,125	50,403
Total Payroll	<u>570,712</u>	<u>110,149</u>	<u>130,847</u>	<u>811,708</u>
Professional Services (Includes In-Kind)	4,877,306	31,310	8,102	4,916,718
Rent	86,829	11,277	14,660	112,766
Printing and Publications	39,562	2,926	6,843	49,331
Media	22,050	-	2,450	24,500
Information Technology	12,545	2,447	9,481	24,473
Telephone	9,394	1,220	1,586	12,200
Travel	8,071	1,048	1,363	10,482
Depreciation Expense	7,864	1,021	1,328	10,213
Postage and Delivery	7,166	931	1,210	9,307
Other Expenses	6,380	829	1,077	8,286
Dues and Subscriptions	6,290	817	1,062	8,169
Supplies	4,451	2,228	752	7,431
Direct Client Expenses	6,433	-	-	6,433
Licenses, Taxes and Fees	2,769	1,195	1,554	5,518
Insurance	3,443	447	581	4,471
Training and Outreach	2,502	325	422	3,249
Total Expenses	<u>\$ 5,673,767</u>	<u>\$ 168,170</u>	<u>\$ 183,318</u>	<u>\$ 6,025,255</u>

See accompanying Notes to Financial Statements.

**TAHIRIH JUSTICE CENTER  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 98,216	\$ 322,305
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities:		
Depreciation	9,833	10,213
Change in Assets and Liabilities:		
Grants Receivables	(174,895)	(10,980)
Other Receivables	(33,672)	(74,030)
Prepaid Expenses	(23,218)	(12,302)
Inventory	570	(1,858)
Other Assets	(813)	-
Accounts Payable	(260)	7,554
Accrued Payroll	(1,159)	12,503
Net Cash (Used in) Provided by Operating Activities	(125,398)	253,405
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(13,382)	(1,344)
Net Cash Used in Investing Activities	(13,382)	(1,344)
 <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(138,780)	252,061
 CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	841,206	589,145
 CASH AND CASH EQUIVALENTS- END OF YEAR	\$ 702,426	\$ 841,206
 <b>SUPPLEMENTAL INFORMATION</b>		
Donated Materials and Equipment	\$ 9,956	\$ 9,334
Donated Services	\$ 6,535,883	\$ 4,848,421

See accompanying Notes to Financial Statements.

**TAHIRIH JUSTICE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The 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 and its mission is to enable women and girls fleeing gender-based violence to access justice through direct legal services and public policy advocacy.

**Description of Programs**

Through direct legal services and public policy advocacy, Tahirih protects women and girls seeking justice in the United States from gender-based violence such as forced female genital mutilation, torture, rape, trafficking, honor crimes, gender apartheid, forced marriage, and domestic violence. Tahirih provides pro-bono legal services in immigration and family law, as well as holistic social and medical service referrals to ensure that our clients can truly access justice and become self-sufficient members of our community. Its public policy advocacy is directly informed by client needs and is designed to create systemic change to ensure long-term protection from violence.

**Basis of Accounting**

Tahirih prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when the obligations are incurred.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Tax Status**

Tahirih's operations are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code except for unrelated business income as defined by Section 511 of the Code. The Internal Revenue Service determined that the Organization is not a private foundation. There was no unrelated business income for the years ended December 31, 2008 and 2007.

The Organization has elected to defer application of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*. The Organization follows Financial Accounting Standard No. 5, *Accounting for Contingencies*, for evaluating uncertain tax positions.

**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.

**TAHIRIH JUSTICE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts and Grants Receivable**

Receivables are stated at net realizable value. Accounts are individually analyzed for collectibility. Receivables are written off when all collection efforts are exhausted. All receivables are deemed collectible by management at December 31, 2008 and 2007.

**Inventory**

Inventory consists primarily of books and promotional items held for sale that are valued at the lower of cost, on a first-in, first-out basis, or market. Management determined that a reserve for obsolete inventory was unnecessary as of December 31, 2008 and 2007.

**Property and Equipment**

Purchases of property and equipment greater than \$500 are capitalized at cost. Donated assets are recorded at their estimated market value on the date of donation. Property and equipment is depreciated over estimated useful lives of five to seven years on a straight-line basis. Depreciation expense was \$9,833 and \$10,213 for the years ended December 31, 2008 and 2007, respectively.

Various items of office furniture, equipment and small office items acquired in prior years through donation or purchases, and whose individual values are considered nominal, have not been recorded on Tahirih's books. No value has been assigned to them on the financial statements.

**Government Grants**

Revenues from federal, state, and local governments are recognized as income in the year in which they are earned. These grant revenues are earned to the extent the related expenditures have been incurred. Expenditures under government grants and contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these grants and contracts, Tahirih will record such disallowance at the time the final assessment is made.

**Contributions and Private Grants**

Revenues from contributions and private grants are considered to be available for unrestricted use and are recognized as revenue when an unconditional pledge is received or when cash is received if no pledge exists. Contributions that are restricted for use in a later time period or purpose restricted are recognized as temporary restricted net assets. Temporarily restricted net assets become unrestricted when the time restrictions expire or when the purpose restrictions are met.

**TAHIRIH JUSTICE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets**

Tahirih's resources are classified for accounting and reporting purposes into net asset groups based on the existence or absence of donor- or time-imposed restrictions as required by Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. The net asset groups are as follows:

**Unrestricted:**

*General Unrestricted* - represents resources available to support Tahirih's general operations.

*Board Designated* - represents unrestricted resources internally restricted by Tahirih's governance. As of December 31, 2008 and 2007, Tahirih had \$0 and \$5,778 in endowment funds established by the Board of Directors.

*Temporarily Restricted* - represents resources received by the Organization 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 Statement of Activities.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities are summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Reclassifications**

Certain reclassifications of 2007 information were made to conform to the 2008 presentation.

**NOTE 2 CONCENTRATION OF CREDIT RISK**

Financial instruments which subject the Organization to a concentration of credit risk consist of demand deposits placed with financial institutions which may, at times, exceed Federal Deposit Insurance Corporation limits.

**NOTE 3 DONATED SERVICES**

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. The items contributed are also reflected as either expenses or capital assets, if they meet Tahirih's capitalization criteria. The value of the contributed services recognized as revenues in the accompanying statement of activities for the years ended December 31, 2008 and 2007 was \$6,535,883 and \$4,848,421, respectively, and included legal and medical services to Tahirih's clients and legal services to support Tahirih's business operations.

**TAHIRIH JUSTICE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**NOTE 4 COMMITMENTS**

**Lease Commitments**

Effective July 31, 2008, Tahirih entered into a new ten-year, ten-month non-cancelable operating lease for its primary office space (8,236 square feet) in Falls Church, VA commencing on February 1, 2009.

Office rent expense for the years ended December 31, 2008 and 2007 totaled \$119,018 and \$112,766, respectively. Future minimum rental payments under the lease are as follows:

Year Ending December 31,		
2009	\$	150,399
2010		220,025
2011		226,626
2012		233,424
2013		240,427
Thereafter		1,601,834
Total	\$	<u>2,672,735</u>

**NOTE 5 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following for the years ended December 31, 2008 and 2007:

	Balance December 31, 2007	Additions	Funds Released from Restriction	Balance December 31, 2008
Pro-Bono Medical Network	\$ 29,167	\$ 35,000	\$ 34,194	\$ 29,973
Case Management System	15,000	-	15,000	-
Capacity Building	141,498	50,000	173,415	18,083
New Voices Fellowship	6,573	-	6,573	-
Time Restricted General Operating Support	47,500	150,000	122,500	75,000
Total	<u>\$ 239,738</u>	<u>\$ 235,000</u>	<u>\$ 351,682</u>	<u>\$ 123,056</u>

	Balance December 31, 2006	Additions	Funds Released from Restriction	Balance December 31, 2007
Pro-Bono Medical Network	\$ 26,250	\$ 35,000	\$ 32,083	\$ 29,167
Case Management System	-	15,000	-	15,000
Capacity Building	41,667	200,000	100,169	141,498
New Voices Fellowship	30,446	34,938	58,811	6,573
Time Restricted General Operating Support	-	47,500	-	47,500
Total	<u>\$ 98,363</u>	<u>\$ 332,438</u>	<u>\$ 191,063</u>	<u>\$ 239,738</u>

**TAHIRIH JUSTICE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**NOTE 6    RETIREMENT PLAN**

Tahirih has established a retirement plan under the provisions of Internal Revenue Code Subsection 403(b) and has received a favorable determination as to its tax status. Employees can make voluntary tax-deferred contributions within specified limits. Tahirih did not make any employer contributions to this plan for the years ended December 31, 2008 and 2007, respectively.

**NOTE 7    SUBSEQUENT EVENTS**

Tahirih intends to expand services to Houston, TX in 2009. It has tentatively reached agreement with a Houston law firm to provide in-kind office space for a two-year period and has extended an offer of employment to a candidate for the Director of that office.