

TAHIRIH JUSTICE CENTER
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

**TAHIRIH JUSTICE CENTER
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES - 2010	4
STATEMENT OF FUNCTIONAL EXPENSES - 2009	5
STATEMENTS OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Tahirih Justice Center
Falls Church, Virginia

We have audited the accompanying statements of financial position of the Tahirih Justice Center (the "Organization") as of December 31, 2010 and 2009 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tahirih Justice Center as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP
LarsonAllen LLP

Arlington, Virginia
June 28, 2011



**TAHIRIH JUSTICE CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009**

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,093,560	\$ 938,560
Receivables:		
Grants Receivables	309,349	233,104
Other Receivables	44,899	38,342
Total Receivables	354,248	271,446
Prepaid Expenses	31,307	12,773
Inventory	2,402	2,993
Total Current Assets	1,481,517	1,225,772
PROPERTY AND EQUIPMENT		
Furniture and Equipment	90,067	87,532
Less: Accumulated Depreciation	(56,366)	(43,831)
Net Property and Equipment	33,701	43,701
OTHER ASSETS		
Rent Deposit	17,844	17,844
 Total Assets	 \$ 1,533,062	 \$ 1,287,317
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 59,231	\$ 27,135
Accrued Expenses	58,417	64,625
Total Current Liabilities	117,648	91,760
Deferred Rent	121,797	103,183
Total Liabilities	239,445	194,943
NET ASSETS		
Unrestricted:		
General	570,229	446,928
Board Designated	480,326	480,000
Total Unrestricted	1,050,555	926,928
Temporarily Restricted	243,062	165,446
Total Net Assets	1,293,617	1,092,374
 Total Liabilities and Net Assets	 \$ 1,533,062	 \$ 1,287,317

See accompanying Notes to the Financial Statements.

**TAHIRIH JUSTICE CENTER
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Donated (In-Kind) Professional Services	\$ 6,813,094	\$ -	\$ 6,813,094	\$ 7,712,763	\$ -	\$ 7,712,763
Grants and Contributions, Net of Annual Gala						
Expenses of \$29,826 (2010) and \$29,540 (2009)	1,698,725	292,102	1,990,827	1,423,037	289,000	1,712,037
Interest Income	5,886	-	5,886	8,841	-	8,841
Fundraising Sales, Net of Expense of \$56,686 (2010) and \$94,749 (2009)	40,917	-	40,917	64,195	-	64,195
Honorarium	7,050	-	7,050	4,475	-	4,475
Miscellaneous Income	11,749	-	11,749	7,572	-	7,572
Net Assets Released from Restrictions	214,486	(214,486)	-	286,610	(286,610)	-
Total Revenue	<u>8,791,907</u>	<u>77,616</u>	<u>8,869,523</u>	<u>9,507,493</u>	<u>2,390</u>	<u>9,509,883</u>
EXPENSES						
Program Services	7,942,527	-	7,942,527	8,942,662	-	8,942,662
Supporting Services:						
General and Administrative	391,995	-	391,995	383,108	-	383,108
Fundraising	333,758	-	333,758	188,488	-	188,488
	<u>725,753</u>	<u>-</u>	<u>725,753</u>	<u>571,596</u>	<u>-</u>	<u>571,596</u>
Total Expenses	<u>8,668,280</u>	<u>-</u>	<u>8,668,280</u>	<u>9,514,258</u>	<u>-</u>	<u>9,514,258</u>
CHANGE IN NET ASSETS	123,627	77,616	201,243	(6,765)	2,390	(4,375)
Net Assets - Beginning of Year	<u>926,928</u>	<u>165,446</u>	<u>1,092,374</u>	<u>933,693</u>	<u>163,056</u>	<u>1,096,749</u>
NET ASSETS - END OF YEAR	<u>\$ 1,050,555</u>	<u>\$ 243,062</u>	<u>\$ 1,293,617</u>	<u>\$ 926,928</u>	<u>\$ 165,446</u>	<u>\$ 1,092,374</u>

See accompanying Notes to the Financial Statements.

**TAHIRIH JUSTICE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 800,216	\$ 163,886	\$ 159,526	\$ 1,123,628
Fringe Benefits	146,045	29,094	29,894	205,033
Total Payroll	<u>946,261</u>	<u>192,980</u>	<u>189,420</u>	<u>1,328,661</u>
Professional Services (Includes In-Kind)	6,697,969	144,404	62,171	6,904,544
Rent	167,970	35,595	35,332	238,897
Information Technology	21,447	1,986	6,747	30,180
Other Expenses	17,480	6,348	12,114	35,942
Printing and Publications	19,649	998	14,123	34,770
Direct Client Expenses	14,549	96	-	14,645
Travel	19,171	1,484	6,466	27,121
Telephone	5,729	1,124	1,155	8,008
Depreciation Expense	8,929	1,779	1,828	12,536
Postage and Delivery	7,439	883	1,992	10,314
Dues and Subscriptions	3,022	610	1,000	4,632
Supplies	5,679	1,065	1,307	8,051
Insurance	7,233	2,643	103	9,979
Total Expenses	<u>\$ 7,942,527</u>	<u>\$ 391,995</u>	<u>\$ 333,758</u>	<u>\$ 8,668,280</u>

See accompanying Notes to the Financial Statements.

**TAHIRIH JUSTICE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 813,380	\$ 193,048	\$ 100,908	\$ 1,107,336
Fringe Benefits	147,690	35,068	18,318	201,076
Total Payroll	<u>961,070</u>	<u>228,116</u>	<u>119,226</u>	<u>1,308,412</u>
Professional Services (Includes In-Kind)	7,642,865	94,933	10,265	7,748,063
Rent	168,008	35,460	25,316	228,784
Information Technology	41,139	2,848	7,242	51,229
Other Expenses	25,250	9,348	11,556	46,154
Direct Client Expenses	31,902	-	-	31,902
Printing and Publications	13,984	1,392	5,731	21,107
Travel	15,442	2,886	2,728	21,056
Postage and Delivery	8,796	938	3,287	13,021
Depreciation Expense	8,808	2,092	1,093	11,993
Dues and Subscriptions	7,861	797	-	8,658
Telephone	6,067	1,440	752	8,259
Supplies	5,605	1,144	1,235	7,984
Insurance	5,865	1,714	57	7,636
Total Expenses	<u>\$ 8,942,662</u>	<u>\$ 383,108</u>	<u>\$ 188,488</u>	<u>\$ 9,514,258</u>

See accompanying Notes to the Financial Statements.

**TAHIRIH JUSTICE CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 201,243	\$ (4,375)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	12,536	11,993
Loss on Disposal of Property and Equipment	-	1,815
Change in Assets and Liabilities:		
Grants Receivables	(76,245)	92,115
Other Receivables	(6,557)	8,761
Prepaid Expenses	(18,534)	27,352
Inventory	591	624
Other Assets	-	-
Accounts Payable	32,096	9,930
Accrued Expenses	(6,208)	11,781
Deferred Rent	18,614	103,183
Net Cash Provided by Operating Activities	157,536	263,179
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(2,536)	(27,045)
Net Cash Used in Investing Activities	(2,536)	(27,045)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	155,000	236,134
 CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	938,560	702,426
 CASH AND CASH EQUIVALENTS- END OF YEAR	\$ 1,093,560	\$ 938,560
 SUPPLEMENTAL INFORMATION		
Donated Materials and Equipment	\$ 3,521	\$ 14,294
Donated Services	\$ 6,813,094	\$ 7,712,763

See accompanying Notes to the Financial Statements.

**TAHIRIH JUSTICE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 its clients can truly access justice and become self-sufficient members of the 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.

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 Tahirih is not a private foundation. There was no unrelated business income for the years ended December 31, 2010 and 2009.

Tahirih adopted the income tax standard for uncertain tax positions effective January 1, 2009. Tahirih evaluated its tax positions and determined that its tax positions are more-likely-than-not to be sustained on examination. Tahirih’s tax returns are subject to review and examination by federal, state, and local authorities. The tax returns for the years 2007 to 2009 are open for examination by federal, state, and local authorities.

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.

Receivables

Receivables are stated at net realizable value. Accounts are individually analyzed for collectibility. Receivables are written off when all collection efforts are exhausted. In 2010, Tahirih instituted a Doubtful Allowance Policy to reflect the amount of receivables outstanding at year-end that are estimated to be unrecoverable, based on historical bad debt percentages. The balance in the doubtful allowance account at December 31, 2010 and 2009 was \$3,585 and \$0, respectively.

**TAHIRIH JUSTICE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2010 and 2009.

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 \$12,536 and \$11,993 for the years ended December 31, 2010 and 2009, 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 considered 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, purpose restricted, or location restricted are recognized as temporarily restricted net assets. Temporarily restricted net assets become unrestricted when the time restrictions expire or when the purpose or location restrictions are met.

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. The net asset groups are as follows:

Unrestricted:

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

Board Designated – represents resources internally restricted by Tahirih's governance. As of December 31, 2010 and 2009, Tahirih had \$480,326 and \$480,000, respectively, in designated funds established by the Board of Directors.

**TAHIRIH JUSTICE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Temporarily Restricted:

Represents resources received by Tahirih from contributors or grantors that are purpose, location, or time restricted by the donors. Tahirih has elected to reflect donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support in the accompanying statements of activities.

Functional Allocation of Expenses

The costs of providing various programs and other activities are summarized on a functional basis in the statement of activities. Certain costs have been allocated among the programs and supporting services benefited based on employee time spent on each.

Subsequent Events

In preparing these financial statements, Tahirih has evaluated events and transactions for potential recognition or disclosure through June 28, 2011, the date the financial statements were available to be issued.

NOTE 2 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, 2010 and 2009 was \$6,813,094 and \$7,712,763, respectively, and was predominately comprised of legal services to Tahirih's clients and to support Tahirih's business operations.

Donated legal services are recorded at fair value based on standard billing rates as represented by the respective law firms. Other donated services included report production by production company and commercial spots by a cable company, both valued at standard rates as represented by the respective companies. The amount also includes donated rent, valued at the square footage rate per the provider companies' leases, multiplied by the amount of space occupied by Tahirih.

**TAHIRIH JUSTICE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 3 COMMITMENTS

Operating Leases

Tahirih entered into a ten-year, three-month non-cancellable operating lease for its primary office space (8,236 square feet) located in Falls Church, Virginia, commencing on February 1, 2009.

Office rent expense for the years ended December 31, 2010 and 2009 totaled \$238,897 and \$228,784, respectively. Future minimum rental payments under the lease are as follows:

<u>Year Ending December 31,</u>		
2011	\$	226,626
2012		233,424
2013		240,427
2014		247,640
2015		255,069
Thereafter		<u>907,273</u>
Total	\$	<u><u>2,110,459</u></u>

NOTE 4 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, 2010 and 2009.

**TAHIRIH JUSTICE CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following for the years ended December 31, 2010 and 2009:

	Balance December 31, 2009	Additions	Funds Released from Restriction	Balance December 31, 2010
Greater Washington (inc. Baltimore)				
Area Contributions	\$ -	\$ 102,102	\$ 40,736	\$ 61,366
Houston Area Contributions	27,631	75,000	35,935	66,696
Pro-Bono Medical Network, Virginia	11,476	-	11,476	-
Strategic Planning and Management Support	-	115,000	-	115,000
Social Services in Virginia and Houston	57,089	-	57,089	-
Time Restricted General Operating Support	69,250	-	69,250	-
	<u>\$ 165,446</u>	<u>\$ 292,102</u>	<u>\$ 214,486</u>	<u>\$ 243,062</u>

	Balance December 31, 2008	Additions	Funds Released from Restriction	Balance December 31, 2009
Houston Area Contributions	\$ -	\$ 60,000	\$ 32,369	\$ 27,631
Capacity Building	18,083	-	18,083	-
Pro-Bono Medical Network, Virginia	29,973	-	18,497	11,476
Social Services in Virginia and Houston	-	100,000	42,911	57,089
Time Restricted General Operating Support	115,000	129,000	174,750	69,250
	<u>\$ 163,056</u>	<u>\$ 289,000</u>	<u>\$ 286,610</u>	<u>\$ 165,446</u>

NOTE 6 SUBSEQUENT EVENTS

On June 9, 2011, Tahirih entered into a three-year non-cancellable operating lease for office space in Houston, Texas. Future minimum rental payments under the lease are as follows:

	Year Ending December 31,
2011	\$ 12,370
2012	37,445
2013	38,449
2014	<u>26,078</u>
Total	<u>\$ 114,342</u>