

HUMAN RIGHTS FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2008 AND 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Human Rights Foundation
New York, NY

We have audited the accompanying statements of financial position of Human Rights Foundation as of December 31, 2008 and 2007 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards required 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 financial statements referred to above present fairly, in all material respects, the financial position of the Human Rights Foundation as of December 31, 2008 and 2007, and the changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Betz, Goldman, Clearfield & Ocampo, LLP

August 30, 2010

**HUMAN RIGHTS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ 47,847	\$ 123,056
Accounts Receivable	60	1,860
Prepaid Expenses	13,140	5,164
Property and Equipment, Net	16,811	25,505
Security Deposit	<u>14,280</u>	<u>14,280</u>
TOTAL ASSETS	<u>\$ 92,138</u>	<u>\$ 169,865</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 17,093	\$ 29,954
Accrued Payroll and Payroll Taxes	<u>22,989</u>	<u>7,429</u>
TOTAL LIABILITIES	<u>40,082</u>	<u>37,383</u>
NET ASSETS		
Unrestricted	52,056	(39,118)
Temporarily Unrestricted	<u>-</u>	<u>171,600</u>
Total Net Assets	<u>52,056</u>	<u>132,482</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 92,138</u>	<u>\$ 169,865</u>

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

HUMAN RIGHTS FOUNDATION
STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	<u>UNRESTRICTED</u>	<u>TEMP. RESTRICTED</u>	<u>TOTAL</u>
	2008	2008	2007
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES, GAINS AND OTHER SUPPORT			
Donations	\$ 180,171	\$ -	\$ 180,171
Foundations	394,742	-	394,742
Interest Income	-	-	1,023
Satisfaction of Program Restrictions	171,600	(171,600)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>746,513</u>	<u>(171,600)</u>	<u>574,913</u>
			<u>761,141</u>
EXPENSES			
Program Services	\$ 595,977	\$ -	\$ 595,977
Management and General	52,610	-	49,747
Fundraising	<u>6,752</u>	<u>-</u>	<u>4,947</u>
TOTAL EXPENSES	<u>655,339</u>	<u>-</u>	<u>698,857</u>
INCREASE (DECREASE) IN NET ASSETS	91,174	(171,600)	62,284
NET ASSETS - BEGINNING	<u>(39,118)</u>	<u>171,600</u>	<u>70,198</u>
NET ASSETS - ENDING	<u>\$ 52,056</u>	<u>\$ -</u>	<u>\$ 132,482</u>

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

**HUMAN RIGHTS FOUNDATION
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (80,426)	\$ 62,284
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Depreciation and Amortization	8,696	6,891
(Increase) Decrease in:		
Receivables	1,800	1,205
Prepaid Expenses	(7,978)	1,044
Increase in:		
Accounts Payable and Accrued Expenses	<u>2,699</u>	<u>25,127</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(75,209)</u>	<u>96,551</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment, net of disposals	<u>-</u>	<u>(10,273)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>(10,273)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(75,209)	86,278
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>123,056</u>	<u>36,778</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 47,847</u>	<u>\$ 123,056</u>
INTEREST PAID	<u>\$ -</u>	<u>\$ 570</u>

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

**HUMAN RIGHTS FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)**

	<u>SUPPORTING SERVICES</u>			<u>2008</u> <u>TOTAL</u>	<u>2007</u> <u>TOTAL</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND-RAISING</u>		
Credi Expenses	\$ 31,100	\$ -	\$ -	\$ 31,100	\$ 143,247
Depreciation	4,348	4,348	-	8,696	6,891
Development	-	-	6,752	6,752	-
Dues and Subscriptions	1,856	464	-	2,320	1,682
Employee Benefits	42,169	1,987	-	44,156	25,580
General Programs	85,525	-	-	85,525	148,409
Human Resources	792	3,417	-	4,209	4,057
Insurance	4,033	1,008	-	5,041	7,304
Interest	-	-	-	-	570
Internships	500	-	-	500	4,994
Leased Equipment	2,479	619	-	3,098	3,955
Licenses	-	381	-	381	-
Office Supplies	9,049	1,161	-	10,210	9,620
Payroll Taxes	20,355	959	-	21,314	15,851
Postage and Delivery	882	221	-	1,103	1,773
Printing and Reproduction	1,444	361	-	1,805	-
Professional Fees	-	-	-	-	11,323
Professional Services	46,152	7,605	-	53,757	40,212
Rent and Utilities	62,261	8,490	-	70,751	79,139
Salaries	272,476	12,839	-	285,315	181,216
Staff Training	-	-	-	-	834
Telephone and Internet	10,556	1,173	-	11,729	9,976
Travel	-	7,577	-	7,577	2,224
	<u>\$ 595,977</u>	<u>\$ 52,610</u>	<u>\$ 6,752</u>	<u>\$ 655,339</u>	<u>\$ 698,857</u>

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

**HUMAN RIGHTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

Human Rights Foundation operates as a voluntary, non-profit, non-stock corporation chartered under the laws of the State of New York. The Foundation's purpose is to unite people—regardless of their political, cultural, and ideological orientations—in the common cause of defending human rights and promoting liberal democracy in the Americas. Their mission is to ensure that freedom is both preserved and promoted. The Foundation is exempt from income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

Method of Accounting:

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standard (SFAS) No. 117, Financial Statement of Not-for-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At present, the Foundation has no temporarily restricted or permanently restricted net assets.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents.

**HUMAN RIGHTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment.

Property and equipment are stated at cost. Depreciation is computed using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	<u>YEARS</u>
Furniture and Fixtures	7
Computer Equipment	3-5

NOTE B – PROPERTY AND EQUIPMENT, NET

Property and equipment are summarized as follows:

	<u>2008</u>	<u>2007</u>
Furniture and Fixtures	\$ 19,524	\$ 19,524
Computer Equipment	<u>15,752</u>	<u>15,752</u>
	35,276	35,276
Less: Accumulated Depreciation	<u>18,466</u>	<u>9,771</u>
	<u>\$ 16,810</u>	<u>\$ 25,505</u>

Depreciation expense was \$8,696 and \$6,891 for the years ended December 31, 2008 and 2007, respectively.

NOTE C – OPERATING LEASE

The Foundation has entered into an operating lease for office space. The lease calls for total monthly payments of \$5,940 adjusted for cost of living increases and applicable real estate taxes. The lease term is 36 months ending on November 30, 2011.

**HUMAN RIGHTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

NOTE C – OPERATING LEASE (CONTINUED)

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2008:

<u>Year Ending</u>	<u>Amount</u>
2009	\$ 71,280
2010	71,280
2011	<u>65,340</u>
	<u>\$ 207,900</u>

NOTE D – FUNCTIONAL ALLOCATION OF EXPENSES

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