

HUMAN RIGHTS FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

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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, 2009 and 2008 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 audits 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 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 Human Rights Foundation as of December 31, 2009 and 2008, 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.

Betz, Goldman, Clearfield & Ocampo, LLP

November 10, 2010

**HUMAN RIGHTS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 48,344	\$ 47,847
Accounts Receivable	-	60
Prepaid Expenses	15,410	13,140
Property and Equipment, Net	10,426	16,811
Security Deposit	<u>9,520</u>	<u>14,280</u>
TOTAL ASSETS	<u>\$ 83,700</u>	<u>\$ 92,138</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 9,029	\$ 17,093
Accrued Payroll and Payroll Taxes	85,481	22,989
Note Payable	<u>80,843</u>	<u>-</u>
TOTAL LIABILITIES	<u>175,353</u>	<u>40,082</u>
NET ASSETS (DEFICIT)		
Unrestricted	<u>(91,653)</u>	<u>52,056</u>
Total Net Assets	<u>(91,653)</u>	<u>52,056</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 83,700</u>	<u>\$ 92,138</u>

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

HUMAN RIGHTS FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

	<u>UNRESTRICTED</u>	<u>TEMP. RESTRICTED</u>	<u>2009</u>	<u>2008</u>
CHANGES IN UNRESTRICTED NET ASSETS				
REVENUES, GAINS AND OTHER SUPPORT				
Donations	\$ 312,514	\$ 223,460	\$ 535,974	\$ 180,171
Foundations	-	233,603	233,603	394,742
Interest Income	109	-	109	-
Satisfaction of Program Restrictions	457,063	(457,063)	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>769,686</u>	<u>-</u>	<u>769,686</u>	<u>574,913</u>
EXPENSES				
Program Services	832,532	-	832,532	595,977
Management and General	61,675	-	61,675	52,610
Fundraising	19,188	-	19,188	6,752
TOTAL EXPENSES	<u>913,395</u>	<u>-</u>	<u>913,395</u>	<u>655,339</u>
DECREASE IN NET ASSETS	(143,709)	-	(143,709)	(80,426)
NET ASSETS - BEGINNING	<u>52,056</u>	<u>-</u>	<u>52,056</u>	<u>132,482</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$ (91,653)</u>	<u>\$ -</u>	<u>\$ (91,653)</u>	<u>\$ 52,056</u>

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

**HUMAN RIGHTS FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	\$ (143,709)	\$ (80,426)
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Depreciation and Amortization	6,385	8,696
(Increase) Decrease in:		
Receivables	60	1,800
Prepaid Expenses	(2,270)	(7,978)
Security Deposit	4,760	-
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	54,428	2,699
	<u>(80,346)</u>	<u>(75,209)</u>
NET CASH USED BY OPERATING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debt Borrowings	80,843	-
	<u>80,843</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		
	497	(75,209)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	<u>47,847</u>	<u>123,056</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		
	\$ 48,344	\$ 47,847
CASH AND CASH EQUIVALENTS - END OF YEAR		
	<u>\$ 3,273</u>	<u>\$ -</u>
INTEREST PAID		

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

HUMAN RIGHTS FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

	<u>SUPPORTING SERVICES</u>			<u>2009</u>	<u>2008</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND-RAISING</u>		
Administrative	\$ -	\$ 1,340	\$ -	\$ 1,340	\$ -
Depreciation	3,192	3,193	-	6,385	8,696
Development	-	-	2,631	2,631	6,752
Dues and Subscriptions	1,226	307	-	1,533	2,320
Employee Benefits	35,765	3,787	2,524	42,076	44,156
General Programs	458,840	-	-	458,840	124,202
Human Resources	-	-	-	-	4,209
Insurance	4,105	1,026	-	5,131	5,041
Interest	2,618	655	-	3,273	-
Internships	-	-	-	-	500
Leased Equipment	2,902	725	-	3,627	3,098
Licenses	-	315	-	315	381
Office Supplies	6,558	894	-	7,452	10,210
Payroll Taxes	10,835	1,147	765	12,747	21,314
Postage and Delivery	866	216	-	1,082	1,103
Printing and Reproduction	-	-	-	-	1,805
Professional Services	5,484	12,937	-	18,421	53,757
Rent and Utilities	73,692	10,049	-	83,741	70,751
Salaries	216,074	23,400	13,268	252,742	285,315
Staff Training	-	531	-	531	-
Telephone and Internet	10,375	1,153	-	11,528	11,729
	<u>\$ 832,532</u>	<u>\$ 61,675</u>	<u>\$ 19,188</u>	<u>\$ 913,395</u>	<u>\$ 655,339</u>

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

**HUMAN RIGHTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 statements 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, 2009 AND 2008
(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>2009</u>	<u>2008</u>
Furniture and Fixtures	\$ 19,524	\$ 19,524
Computer Equipment	15,752	15,752
	<u>35,276</u>	<u>35,276</u>
Less: Accumulated Depreciation	24,850	18,465
	<u>\$ 10,426</u>	<u>\$ 16,811</u>

Depreciation expense was \$6,385 and \$8,696 for the years ended December 31, 2009 and 2008, respectively.

NOTE C – NOTE PAYABLE

In 2009 \$80,843 was borrowed from a relative of the President of the Organization. The note was due within two (2) years with no interest. The note was paid in full in 2010.

**HUMAN RIGHTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE D – 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.

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2009:

<u>Year Ending</u>	<u>Amount</u>
2010	\$ 77,427
2011	<u>70,976</u>
	<u>\$ 148,403</u>

NOTE E – 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.