

**The Commonwealth of Massachusetts**  
**OFFICE OF THE ATTORNEY GENERAL**  
**NON-PROFIT ORGANIZATIONS/PUBLIC CHARITIES DIVISION**  
**ONE ASHBURTON PLACE**  
**BOSTON, MASSACHUSETTS 02108**

Office Use Only: Fiscal Year

(617) 727-2200, ext. 2101  
[www.mass.gov/ago/charities](http://www.mass.gov/ago/charities)

**Form PC**

Report for the Fiscal Period: 01/01/14 to 12/31/14

Attorney General's Account #: 046444

Federal ID #: 20-8096820

When did the organization first engage in charitable work in Massachusetts? 01/01/2007

Has the organization applied for or been granted IRS tax exempt status?  Yes  No

If yes, date of application OR date of determination letter: 02/26/2007

IRS Exemption under 501(c): 3

If exempt under 501(c), are contributions to the organization tax deductible as charitable contributions?  Yes  No

Check all items attached (if applicable)	
<input checked="" type="checkbox"/>	Schedule A-1
<input checked="" type="checkbox"/>	Schedule A-2
<input type="checkbox"/>	Schedule RO
<input type="checkbox"/>	Probate Account
<input checked="" type="checkbox"/>	Copy of IRS Return
<input checked="" type="checkbox"/>	Audited Financial Statements/Review
<input checked="" type="checkbox"/>	Filing Fee
<input type="checkbox"/>	Amended Articles/By-Laws

**Organization Data**

Name: THE TOR PROJECT, INC.

Mailing Address: 7 TEMPLE STREET, SUITE A

City: CAMBRIDGE State: MA ZIP: 02139

Phone Number: (781) 769-7555 Fax Number: \_\_\_\_\_

Email: \_\_\_\_\_ Website: WWW.TORPROJECT.ORG

In the table below, please enter the appropriate codes from the corresponding tables found in the instructions. Enter **up to 2** codes from Table 3 for your organization's main purpose(s)

Category	Code	Category	Code
County (Table 1)	11	Organization Purpose Code 1	55
Type of Organization (Table 2)	21	Organization Purpose Code 2	

Please check box if final return prior to dissolution:

Office Use Only: Payment Received

All questions must be completed in their entirety whether or not similar questions are answered in an attached federal form. See instructions and definition section for guidance.

- On what date was the organization created? 12/22/2006
- Where was the organization created? MASSACHUSETTS
- What is the form of organization? (check one)

Corporation <input checked="" type="checkbox"/>	Testamentary Trust <input type="checkbox"/>
Unincorporated Association <input type="checkbox"/>	Inter Vivos Trust <input type="checkbox"/>

Other (please describe): \_\_\_\_\_

- Was your organization related to any other organization(s) during the reporting year (see definition of "Related Organization")? If yes, please complete the Schedule RO on pages 13 and 14.  Yes  No
- Enter your summary of financial data:

Financial Data		Amounts
A.	Contributions, gifts, grants, and similar amounts received	288,667.
B.	Gross support and revenue	2,556,397.
C.	Program services and similar amounts paid out	2,344,084.
D.	Fundraising expenses	30,954.
E.	Management and general expenses	143,506.
F.	Payments to affiliates	0.
G.	Total expenses	2,518,544.
H.	Net assets or fund balances at the end of the year	1,476,833.

- List the total compensation you provided to your five highest paid employees:

	Name/Title	Hrs/Week	Salary and Other Income	Benefit Plans	Other Compensation
1.	ANDREW LEWMAN CLERK, TREAS., EXEC. DIR.	40.00	150,000.	3,000.	18,700.
2.	KARSTEN LOESING DEVELOPER	40.00	119,256.	0.	22,615.
3.	NICK MATHEWSON CHIEF ARCHITECT	40.00	135,000.	0.	18,675.
4.	ROGER DINGLEDINE RESEARCH DIRECTOR	40.00	135,000.	2,700.	5,519.
5.	ANDREA SHEPARD DEVELOPER	40.00	125,004.	0.	2,953.

- Was any compensation provided to any of the individuals listed in question 6 above which was not quantified in your response to 6? If yes, please provide explanation (attach separate sheet).  Yes  No

8. List the name, amount of compensation paid, and the nature of services rendered by each of the organization's five highest paid consultants providing professional services (e.g. attorneys, architects, accountants, management companies, investment advisors, professional solicitors, professional fundraising counsel).

	Name/Title	Amount of Compensation	Type(s) of Service
1.	PEARL CRESCENT, LLC	100,725.	DEVELOPER
2.	NICOLAS VIGIER	87,495.	DEVELOPER
3.	GEORG KOPPEN	78,581.	DEVELOPER
4.	3BIS	71,279.	DEVELOPER
5.	GEORGE KADIANAKIS	58,968.	DEVELOPER

9. Bank(s) in which the organization's funds are deposited (include bank addresses and phone numbers):

Bank	Address	Phone Number
DEDHAM SAVINGS BANK	55 ELM STREET, DEDHAM, MA 02026	781-329-6700
SANTANDER BANK	2 MORRISSEY BLVD, DORCHESTER, MA 02125	617-379-4017
CITI BANK	200 TECHNOLOGY SQUARE, CAMBRIDGE, MA 02139	617-800-0856

10. What is the organization's accounting method?  Cash  Accrual  
 Other (specify): \_\_\_\_\_

11. If organization's mailing address is a P.O. Box, list the organization's full street address:

Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

12. Contact Person Name: MEREDITH DUNN

Street Address: 7 TEMPLE STREET, SUITE A

City: CAMBRIDGE State: MA ZIP Code: 02139

Phone Number: 781-769-7555

13. During the fiscal year reported here, did your organization solicit contributions or have funds solicited on its behalf?  Yes  No

14. At any time during the fiscal year following the year reported here, will your organization, or others acting on its behalf, solicit contributions?  Yes  No

If you answered yes to Question 13 or 14, you must complete Schedule A-1 and/or Schedule A-2 unless you are exempt from the solicitation certificate requirement.

15. If you are claiming an exemption from the solicitation certificate requirement, please indicate by checking the box to the right to identify which exemption applies to your organization.

a religious organization	<input type="checkbox"/>
an organization which: (a) does not raise more than \$5,000 during a calendar year OR does not receive contributions from more than ten persons during a calendar year; AND (b) carries out all of its activities, including fundraising, through unpaid volunteers. (The conditions at both (a) and (b) must be met for your organization to qualify for this exemption.)	<input type="checkbox"/>

16. Attach a list of names, addresses (street and/or mailing), and telephone numbers of other offices/chapters/branches/affiliates.

17. Attach a list of names, titles, and addresses (street and/or mailing) of officers, directors, trustees, and the principal salaried executives of organization.

STATEMENT 1

18. Attach a list of names, titles, and addresses (street and/or mailing) of any individual(s) authorized to sign checks, and any individual(s) responsible for: custody of funds; distribution of funds; fundraising; and custody of financial records.

STATEMENT 2

19. Has this organization or any of its officers, directors, employees or fundraisers solicited funds in any other state?  Yes  No

If you attach list of states where solicitation was conducted, including registered agency, dates of registration, registration numbers, any other names under which the organization was/is registered, and the dates and type (mail, telephone, door to door, special events, etc.) of the solicitation conducted.

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FORM PC                      OFFICERS, DIRECTORS, TRUSTEES AND EXECUTIVES                      STATEMENT      1

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<u>NAME AND ADDRESS</u>	<u>TITLE</u>
ANDREW LEWMAN 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	TREAS/CLERK/EXEC DIR
NICK MATHEWSON 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	V.P./CHIEF ARCHITECT
ROGER DINGLEDINE 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	PRES/RESEARCH DIRECTOR
IAN GOLDBERG 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	CHAIRMAN/DIRECTOR
WENDY SELTZER 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	DIRECTOR
MEREDITH DUNN 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	DIRECTOR
CASPAR BOWDEN 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	DIRECTOR
ROB THOMAS 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	DIRECTOR

FORM PC

PAGE 4, LINE 18

STATEMENT 2

NAME AND ADDRESSAREA OF RESPONSIBILITY

ANDREW LEWMAN  
7 TEMPLE STREET, SUITE A  
CAMBRIDGE, MA 02139

RESPONSIBLE FOR CUSTODY OF FUNDS

ANDREW LEWMAN  
7 TEMPLE STREET, SUITE A  
CAMBRIDGE, MA 02139

RESPONSIBLE FOR DISTRIBUTION OF FUNDS

ANDREW LEWMAN  
7 TEMPLE STREET, SUITE A  
CAMBRIDGE, MA 02139

RESPONSIBLE FOR FUNDRAISING

KAREN REILLY  
7 TEMPLE STREET, SUITE A  
CAMBRIDGE, MA 02139

RESPONSIBLE FOR FUNDRAISING

MELISSA GILROY  
7 TEMPLE STREET, SUITE A  
CAMBRIDGE, MA 02139

CUSTODY OF FINANCIAL RECORDS

ANDREW LEWMAN  
7 TEMPLE STREET, SUITE A  
CAMBRIDGE, MA 02139

CUSTODY OF FINANCIAL RECORDS

ANDREW LEWMAN  
7 TEMPLE STREET, SUITE A  
CAMBRIDGE, MA 02139

AUTHORIZED TO SIGN CHECKS

ROGER DINGLEDINE  
7 TEMPLE STREET, SUITE A  
CAMBRIDGE, MA 02139

AUTHORIZED TO SIGN CHECKS

20. Has this organization or any of its officers, directors, or employees:

*If yes, please attach an explanation.*

(a) Been enjoined or otherwise prohibited by a government agency/court from operating or soliciting contributions?  Yes  No

(b) Ever been refused registration or had its registration or tax exemption denied, suspended, modified or revoked by a governmental agency?  Yes  No

(c) Been the subject of a proceeding regarding any solicitation or registration?  Yes  No

(d) Entered into a voluntary agreement of compliance or consent judgment with any government agency or in a case before a court or administrative agency?  Yes  No

21. Have any restrictions been removed during the year from donor-restricted funds?

*If yes, please attach an explanation.*

Yes  No

22. Have donor-restricted funds been loaned to unrestricted funds?

*If yes, please attach an explanation.*

Yes  No

23. This question involves "Termination of Employment or Changes of Control Compensatory Arrangements" with certain "Related Parties" (see *instructions and definition sections*). Report only if payments made or promised to any individual are in excess of four months salary or \$100,000, whichever dollar amount is less.

(a) Did you make actual payments or otherwise transfer value under such an arrangement to any individual described in Related Party definition, sections (a) or (b), which payments are not reported in Question 6 or 7 above?  Yes  No

(b) Do you have an agreement with any individual described in Related Party definition, sections (a) or (b), containing such an agreement?  Yes  No

*If you answered **yes** for Question 23(a) or 23(b) above, please attach an explanation identifying the individual(s) involved, stating the amount of any payments made or value transferred, and describing the terms of each agreement.*

24. This question applies to related party transactions, which include transactions with officers, directors, trustees, certain employees, relative, and organizations they own or control. Please consult the instructions and definition sections for the definition of a "Related Party" and "Indebtedness" before answering. Note that transactions involving related parties must be reported even when there is no accounting recognition (e.g. in-kind gifts, waiver of interest not otherwise reported).

*If the answer to any part of Question 24 is yes, attach a schedule stating the name and address of the related party, the nature of the transaction, the value or the amounts involved in the transaction, and the procedure followed in authorizing the transaction.*

During the year:		
A.	Has your organization sold or transferred assets to or purchased assets from or exchanged assets with a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B.	Has your organization leased assets to or leased assets from a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C.	Has your organization been indebted to a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D.	Has your organization allowed a related party to be indebted to it?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E.	Has your organization made or held an investment in a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
F.	Has your organization furnished goods, services, or facilities to a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G.	Has your organization acquired goods, services, or facilities from a related party who received compensation or other value in return?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
H.	Has your organization paid or became obligated to pay wages, salary, or other compensation to a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I.	Has your organization transferred income or assets to or for use by a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J.	Was your organization a party to any transaction in which any of its officers, directors, or trustees has a material financial interest, or did any officer, director, or trustee receive anything of value not reported as compensation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
K.	Has your organization invested in any corporate stock of a company in which any officer, director, or trustee owns more than 10% of the outstanding shares?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L.	Is any property of the organization held in the name of or commingled with the property of any other person or organization?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
M.	Did your organization make a grant award or contribution to any other organization in which any of this organization's officers, directors, or trustees has a relationship?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Signature Required**

**Under penalty of perjury, I declare that the information furnished in this report, including all attachments, is true and correct to the best of my knowledge.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: MEREDITH DUNN

Title: DIRECTOR

Name of Preparer: MOODY, FAMIGLIETTI & ANDRONICO, LLP

Address 1 HIGHWOOD DRIVE

City TEWKSBURY State MA ZIP Code 01876

Phone Number (978) 557-5300

**Schedule A-1  
Solicitation Activities During Fiscal Year Covered By This Report**

List any names which will be used by the organization in connection with the solicitation of funds, other than the official name which appears on page 1.

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Types of solicitation activities in which you expect to engage (check all that apply):

Mass Mailing	<input type="checkbox"/>	Via the Internet	<input checked="" type="checkbox"/>
Door-to-door	<input type="checkbox"/>	Raffle, beano, bingo or gaming event	<input type="checkbox"/>
Entertainment event	<input type="checkbox"/>	Sale of goods other than by telephone	<input type="checkbox"/>
Telemarketing without sale of goods or ads	<input type="checkbox"/>	Individual Mailings	<input type="checkbox"/>
Telemarketing with sale of goods	<input type="checkbox"/>	Corporate solicitations	<input checked="" type="checkbox"/>
Telemarketing with sale of ads	<input type="checkbox"/>	Grant Proposals	<input checked="" type="checkbox"/>
<input type="checkbox"/> Other (specify): _____			

Identify the method or methods you expect to use for the fundraising (check all that apply):

Professional solicitor*	<input type="checkbox"/>	Own employees	<input checked="" type="checkbox"/>
Professional fundraising counsel*	<input type="checkbox"/>	Volunteers	<input type="checkbox"/>
Commercial co-venturer*	<input type="checkbox"/>		

\* Provide applicable names and addresses:

Professional Solicitor Name: \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Professional Fundraising Counsel Name: \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Commercial Co-Venturer Name: \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Schedule A-1 ctd.  
Solicitation Activities During Fiscal Year Covered By This Report

Identify the individuals who will have final responsibility for the charity's custody of contributions:

ANDREW LEWMAN

Name and Title: CLERK, TREAS., EXEC. DIR.

Address 7 TEMPLE STREET, SUITE A

City CAMBRIDGE

State MA

ZIP Code 02139

Name and Title:

Address

City

State

ZIP Code

Name and Title:

Address

City

State

ZIP Code

Identify the individuals who will have final responsibility for the charity's distribution of contributions:

ANDREW LEWMAN

Name and Title: CLERK, TREAS., EXEC. DIR.

Address 7 TEMPLE STREET, SUITE A

City CAMBRIDGE

State MA

ZIP Code 02139

Name and Title:

Address

City

State

ZIP Code

Name and Title:

Address

City

State

ZIP Code

**Schedule A-2  
Solicitation Activities Planned for Fiscal Year Which Follows the Reporting Year**

List any names which will be used by the organization in connection with the solicitation of funds, other than the official name which appears on page 1.

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Types of solicitation activities in which you expect to engage (check all that apply):

Mass Mailing	<input type="checkbox"/>	Via the Internet	<input checked="" type="checkbox"/>
Door-to-door	<input type="checkbox"/>	Raffle, beano, bingo or gaming event	<input type="checkbox"/>
Entertainment event	<input type="checkbox"/>	Sale of goods other than by telephone	<input type="checkbox"/>
Telemarketing without sale of goods or ads	<input type="checkbox"/>	Individual Mailings	<input type="checkbox"/>
Telemarketing with sale of goods	<input type="checkbox"/>	Corporate solicitations	<input checked="" type="checkbox"/>
Telemarketing with sale of ads	<input type="checkbox"/>	Grant Proposals	<input checked="" type="checkbox"/>
<input type="checkbox"/> Other (specify): _____			

Identify the method or methods you expect to use for the fundraising (check all that apply):

Professional solicitor*	<input type="checkbox"/>	Own employees	<input checked="" type="checkbox"/>
Professional fundraising counsel*	<input type="checkbox"/>	Volunteers	<input type="checkbox"/>
Commercial co-venturer*	<input type="checkbox"/>		

\* Provide applicable names and addresses:

Professional Solicitor Name: \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Professional Fundraising Counsel Name: \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Commercial Co-Venturer Name: \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Schedule A-2 ctd.

Solicitation Activities Planned for Fiscal Year Which Follows the Reporting Year

Identify the individuals who will have final responsibility for the charity's custody of contributions:

ROGER DINGLEDINE

Name and Title: INTERIM EXECUTIVE DIRECTOR

Address 7 TEMPLE STREET, SUITE A

City CAMBRIDGE

State MA

ZIP Code 02139

Name and Title:

Address

City

State

ZIP Code

Name and Title:

Address

City

State

ZIP Code

Identify the individuals who will have final responsibility for the charity's distribution of contributions:

ROGER DINGLEDINE

Name and Title: INTERIM EXECUTIVE DIRECTOR

Address 7 TEMPLE STREET, SUITE A

City CAMBRIDGE

State MA

ZIP Code 02139

Name and Title:

Address

City

State

ZIP Code

Name and Title:

Address

City

State

ZIP Code

## Certification by Organization

**Two different signatures required.** Signers must be organization president or other authorized officer or trustee.

**Under penalty of perjury, we declare that the information furnished in this report, including all attachments, is true and correct to the best of our knowledge.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: MEREDITH DUNN

Title: DIRECTOR

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Schedule RO

1. Please read the instructions and definition of "Related Organization" carefully before completing this section. *(If you have more than five Related Organizations, please attach a list.)*

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

**Schedule RO ctd.**

2. List the total compensation paid by your organization and/or any other related organization to your chief executive (e.g. executive director) and to the four other current or former directors, trustees, officers, or employees within the system of related organizations identified at question 1, above, receiving the highest aggregate compensation (*see instructions*). Use additional lines below to itemize by compensation source.

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

3. Is asset and/or compensation information for religious organizations and/or certain non-charitable entities related to foundations excluded pursuant to instructions?  Yes  No

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2014**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.  
Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**A For the 2014 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>THE TOR PROJECT, INC.</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>7 TEMPLE STREET, SUITE A</b> City or town, state or province, country, and ZIP or foreign postal code <b>CAMBRIDGE, MA 02139</b> <b>F</b> Name and address of principal officer: <b>MEREDITH DUNN</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>20-8096820</b> <b>E</b> Telephone number <b>(781) 769-7555</b> <b>G</b> Gross receipts \$ <b>2,556,397.</b> <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>WWW.TORPROJECT.ORG</b>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
<b>L</b> Year of formation: <b>2006</b>		<b>M</b> State of legal domicile: <b>MA</b>

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>RESEARCH, DEVELOPMENT, EDUCATION AND ADVOCACY INTO ONLINE ANONYMITY AND PRIVACY.</b>		
<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>8</b>
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>5</b>
<b>5</b>	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	<b>5</b>	<b>10</b>
<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>3000</b>
<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>
<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
<b>9</b>	Program service revenue (Part VIII, line 2g)	<b>129,118.</b>	<b>288,667.</b>
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>2,740,366.</b>	<b>2,265,347.</b>
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>1,152.</b>	<b>1,648.</b>
<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>2,293.</b>	<b>735.</b>
<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>2,872,929.</b>	<b>2,556,397.</b>
<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>10,000.</b>	<b>10,500.</b>
<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>1,302,280.</b>	<b>1,219,803.</b>
<b>16b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>30,954.</b>	<b>0.</b>	<b>0.</b>
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>1,119,661.</b>	<b>1,288,241.</b>
<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>2,431,941.</b>	<b>2,518,544.</b>
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	<b>440,988.</b>	<b>37,853.</b>
<b>20</b>	Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
<b>21</b>	Total liabilities (Part X, line 26)	<b>1,700,238.</b>	<b>1,790,650.</b>
<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	<b>261,258.</b>	<b>313,817.</b>
		<b>1,438,980.</b>	<b>1,476,833.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>MEREDITH DUNN, DIRECTOR</b> Type or print name and title	Date
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>JOYCE RИPIANZI, CPA</b>	Preparer's signature Date
	Firm's name ▶ <b>MOODY, FAMIGLIETTI &amp; ANDRONICO, LLP</b> Firm's address ▶ <b>1 HIGHWOOD DRIVE</b> <b>TEWKSBURY, MA 01876</b>	Check if self-employed <input type="checkbox"/> PTIN <b>P00548581</b> Firm's EIN ▶ <b>04-3077056</b> Phone no. (978) 557-5300

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: (A) TO DEVELOP, IMPROVE AND DISTRIBUTE FREE, PUBLICLY AVAILABLE TOOLS AND PROGRAMS THAT PROMOTE FREE SPEECH, FREE EXPRESSION, CIVIC ENGAGEMENT AND PRIVACY RIGHTS ONLINE; (B) TO CONDUCT SCIENTIFIC RESEARCH REGARDING, AND TO PROMOTE THE USE OF AND KNOWLEDGE ABOUT,

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 2,344,084. including grants of \$ 10,500. ) (Revenue \$ 2,266,082. ) TO ENABLE, WITH THE USE OF FREE SOFTWARE, AND EDUCATE THE GENERAL PUBLIC ABOUT INTERNET PRIVACY AND ANONYMITY. FUND RESEARCH GRANTS TO FURTHER THIS PURPOSE.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 2,344,084.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....	X	
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		X
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....		X
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....		X
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....		X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		X
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....	X	
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....	X	
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....	X	
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note.** All Form 990 filers are required to complete Schedule O .....

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Input box for Schedule O check

Main table with columns for question numbers (1a-14b), Yes/No checkboxes, and numerical input fields (1a: 15, 1b: 0, 2a: 10, 7d, 13b, 13c).

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	8	
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent	5	
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>b</b>	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **MA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **THE ORGANIZATION - 781-769-7555**  
**7 TEMPLE STREET, SUITE A, CAMBRIDGE, MA 02139**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ROGER DINGLEDINE PRES/RESEARCH DIRECTOR	40.00	X		X				135,000.	0.	8,219.
(2) NICK MATHEWSON V.P./CHIEF ARCHITECT	40.00	X		X				135,000.	0.	18,675.
(3) ANDREW LEWMAN TREAS/CLERK/EXEC DIR	40.00	X		X				150,000.	0.	21,700.
(4) IAN GOLDBERG CHAIRMAN/DIRECTOR	3.00	X						0.	0.	0.
(5) WENDY SELTZER DIRECTOR	3.00	X						0.	0.	0.
(6) MEREDITH DUNN DIRECTOR	3.00	X						0.	0.	0.
(7) CASPAR BOWDEN DIRECTOR	3.00	X						0.	0.	0.
(8) ROB THOMAS DIRECTOR	3.00	X						0.	0.	0.
(9) ANDREA SHEPARD DEVELOPER	40.00					X		125,004.	0.	2,953.
(10) MIKE PERRY DEVELOPER	40.00					X		117,667.	0.	3,666.
(11) KARSTEN LOESING DEVELOPER	40.00					X		119,256.	0.	22,615.



**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	288,667.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$						
	<b>h Total.</b> Add lines 1a-1f			288,667.			
<b>Program Service Revenue</b>	<b>2 a</b> RFA CONTRACT INCOME	<b>Business Code</b>	900099	733,000.	733,000.		
	<b>b</b> SRI CONTRACT INCOME		900099	638,425.	638,425.		
	<b>c</b> DRL GRANTS		900001	635,122.	635,122.		
	<b>d</b> SRI LIGHTS CONTRACT IN		900099	158,516.	158,516.		
	<b>e</b> NSF AND OTHER CONTRACT		900099	100,284.	100,284.		
	<b>f</b> All other program service revenue						
	<b>g Total.</b> Add lines 2a-2f			2,265,347.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			1,648.		1,648.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	(i) Real	(ii) Personal				
		<b>b</b> Less: rental expenses					
		<b>c</b> Rental income or (loss)					
		<b>d</b> Net rental income or (loss)					
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses					
		<b>c</b> Gain or (loss)					
		<b>d</b> Net gain or (loss)					
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>					
		<b>b</b> Less: direct expenses	<b>b</b>				
		<b>c</b> Net income or (loss) from fundraising events					
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>					
<b>b</b> Less: direct expenses		<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities							
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>						
	<b>b</b> Less: cost of goods sold	<b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> MISCELLANEOUS INCOME		900099	735.	735.			
<b>b</b>							
<b>c</b>							
<b>d</b> All other revenue							
<b>e Total.</b> Add lines 11a-11d			735.				
<b>12 Total revenue.</b> See instructions.			2,556,397.	2,266,082.	0.	1,648.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	500.	500.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	10,000.	10,000.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	468,594.	446,719.	17,133.	4,742.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	651,913.	618,205.	13,454.	20,254.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	31,733.	31,733.		
10 Payroll taxes	67,563.	64,304.	1,793.	1,466.
11 Fees for services (non-employees):				
a Management				
b Legal	31,405.	27,199.	3,852.	354.
c Accounting	131,365.	113,773.	16,114.	1,478.
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	10,500.	9,094.	1,288.	118.
12 Advertising and promotion	26,261.	23,179.	2,823.	259.
13 Office expenses				
14 Information technology	35,175.	33,881.	1,212.	82.
15 Royalties				
16 Occupancy	23,704.	20,386.	3,039.	279.
17 Travel	208,772.	132,854.	74,354.	1,564.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	3,866.	1,887.	1,979.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,125.	968.	144.	13.
23 Insurance	933.	802.	120.	11.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>CONTRACT SERVICES</b>	777,168.	773,668.	3,500.	0.
b <b>BANK FEES AND SERVICES</b>	11,877.	10,214.	1,523.	140.
c <b>PROGRAM SUPPLIES</b>	6,445.	6,445.	0.	0.
d				
e All other expenses	19,645.	18,273.	1,178.	194.
25 <b>Total functional expenses.</b> Add lines 1 through 24e	2,518,544.	2,344,084.	143,506.	30,954.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	14,336.	<b>1</b>	65,633.
	<b>2</b> Savings and temporary cash investments .....	835,217.	<b>2</b>	987,195.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	785,589.	<b>4</b>	671,866.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	10,631.	<b>9</b>	14,871.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 24,004.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 24,004.	1,125.	<b>10c</b> 0.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	53,340.	<b>15</b>	51,085.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	1,700,238.	<b>16</b>	1,790,650.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	209,285.	<b>17</b>	170,690.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	93,409.
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....	51,973.	<b>21</b>	49,718.
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....		<b>25</b>	
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	261,258.	<b>26</b>	313,817.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	1,428,980.	<b>27</b>	1,476,833.
	<b>28</b> Temporarily restricted net assets .....	10,000.	<b>28</b>	0.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	1,438,980.	<b>33</b>	1,476,833.	
<b>34</b> Total liabilities and net assets/fund balances .....	1,700,238.	<b>34</b>	1,790,650.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	2,556,397.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	2,518,544.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	37,853.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	1,438,980.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	1,476,833.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>b</b>	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
<b>c</b>	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____	X	
<b>b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____	X	



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	20,090.	78,579.	443,440.	129,118.	288,667.	959,894.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....	20,090.	78,579.	443,440.	129,118.	288,667.	959,894.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						959,894.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>7</b> Amounts from line 4 .....	20,090.	78,579.	443,440.	129,118.	288,667.	959,894.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	1,917.	1,753.	736.	1,152.	1,648.	7,206.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....			11,696.	2,293.	735.	14,724.
<b>11 Total support.</b> Add lines 7 through 10						981,824.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	9,772,441.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	97.77 %
<b>15</b> Public support percentage from 2013 Schedule A, Part II, line 14 .....	<b>15</b>	96.64 %
<b>16a 33 1/3% support test - 2014.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input checked="" type="checkbox"/>
<b>b 33 1/3% support test - 2013.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2014.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2013.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ►

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2013 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2013 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2014.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ..... ►

**b 33 1/3% support tests - 2013.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ..... ►

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ..... ►

**Part IV Supporting Organizations**

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2) (B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations; (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer (b) below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in <b>Part VI</b> .		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

**Section D. Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.		

**Section E. Type III Functionally-Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in <b>Part VI</b> identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in <b>Part VI</b> .		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in <b>Part VI</b> the role played by the organization in this regard.		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

Section C - Distributable Amount		(A) Prior Year	Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2014

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 <b>Total annual distributions.</b> Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2014 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2014:			
a			
b			
c			
d			
e From 2013			
f <b>Total</b> of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2014 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2014, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2014. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 <b>Excess distributions carryover to 2015.</b> Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c			
d Excess from 2013			
e Excess from 2014			



**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2014**

Open to Public Inspection

▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization **THE TOR PROJECT, INC.** Employer identification number **20-8096820**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- Purpose(s) of conservation easements held by the organization (check all that apply).
 

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
- Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.
 

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_
- Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_
- Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_
- Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....
- In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.
  - If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
 

(i) Revenue included in Form 990, Part VIII, line 1 .....	▶ \$ _____
(ii) Assets included in Form 990, Part X .....	▶ \$ _____
- If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
 

a Revenue included in Form 990, Part VIII, line 1 .....	▶ \$ _____
b Assets included in Form 990, Part X .....	▶ \$ _____

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		24,004.	24,004.	0.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				0.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	2,983,397.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>		
<b>b</b>	Donated services and use of facilities	<b>2b</b>	427,000.	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	427,000.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	2,556,397.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	0.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>	2,556,397.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>	2,945,544.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
<b>a</b>	Donated services and use of facilities	<b>2a</b>	427,000.	
<b>b</b>	Prior year adjustments	<b>2b</b>		
<b>c</b>	Other losses	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	427,000.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	2,518,544.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	0.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>	2,518,544.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART IV, LINE 2B:**

TOR, ALONG WITH OTHER SPONSORS, ACTS AS AN AGENT ON BEHALF OF THE PRIVACY ENHANCING TECHNOLOGY SYMPOSIUM (THE "CONFERENCE") BY PERFORMING ADMINISTRATIVE FUNCTIONS, INCLUDING CUSTODY OF THE CONFERENCE'S OPERATING CASH ACCOUNT AND PERFORMANCE OF THE CASH RECEIPTS AND CASH DISBURSEMENTS FUNCTIONS. FUNDS HELD FOR THE CONFERENCE ARE SEGREGATED FROM THE GENERAL ASSETS OF TOR AND ARE SHOWN ON THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AN ASSET AND A CORRESPONDING LIABILITY IN THE AMOUNTS OF \$49,718 AND \$51,973, AS OF DECEMBER 31, 2014 AND 2013, RESPECTIVELY. NO FEES ARE CHARGED BY TOR FOR THESE SERVICES.

**PART X, LINE 2:**

**Part XIII** Supplemental Information (continued)

THE ORGANIZATION IS A NONPROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL AND STATE INCOME TAXES. THE AFFILIATE IS A DISREGARDED ENTITY FOR TAX PURPOSES. AS A RESULT, NO PROVISION FOR INCOME TAXES IS PRESENTED IN THESE CONSOLIDATED FINANCIAL STATEMENTS. HOWEVER, IN CERTAIN CIRCUMSTANCES, THE ORGANIZATION MAY BE SUBJECT TO FEDERAL AND STATE INCOME TAXES FOR PROFITS GENERATED FROM UNRELATED TRADE OR BUSINESS INCOME. THE ORGANIZATION HAS DETERMINED THAT IT DOES NOT HAVE ANY LIABILITIES ASSOCIATED WITH UNRELATED TRADE OR BUSINESS INCOME.

THE ORGANIZATION ASSESSES THE RECORDING OF UNCERTAIN TAX POSITIONS BY EVALUATING THE MINIMUM RECOGNITION THRESHOLD AND MEASUREMENT REQUIREMENTS A TAX POSITION MUST MEET BEFORE BEING RECOGNIZED AS A BENEFIT IN THE FINANCIAL STATEMENTS. THE ORGANIZATIONS POLICY IS TO RECOGNIZE INTEREST AND PENALTIES ACCRUED ON ANY UNCERTAIN TAX POSITIONS AS A COMPONENT OF INCOME TAX EXPENSE, IF ANY, IN ITS CONSOLIDATED STATEMENTS OF ACTIVITIES.

THE ORGANIZATION HAS NOT RECOGNIZED ANY LIABILITIES FOR UNCERTAIN TAX POSITIONS OR UNRECOGNIZED BENEFITS AS OF DECEMBER 31, 2014 OR 2013. THE ORGANIZATION DOES NOT EXPECT ANY MATERIAL CHANGE IN UNCERTAIN TAX BENEFITS WITHIN THE NEXT TWELVE MONTHS. THE ORGANIZATION IS CURRENTLY NOT UNDER EXAMINATION BY ANY TAXING AUTHORITIES AND IS GENERALLY OPEN TO EXAMINATION FOR THREE YEARS FROM THE DATE OF FILING.

**SCHEDULE F  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Statement of Activities Outside the United States**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990.

▶ Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public Inspection

Name of the organization **THE TOR PROJECT, INC.** Employer identification number **20-8096820**

**Part I** **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

- For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? .....  **Yes**  **No**
- For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
NORTH AMERICA	0	0	RESEARCH & DEVELOPMENT	COMPUTER RESEARCH SERVICES	10,000.
<b>3 a</b> Sub-total .....	0	0			10,000.
<b>b</b> Total from continuation sheets to Part I .....	0	0			0.
<b>c Totals</b> (add lines 3a and 3b) .....	0	0			10,000.





**Part IV Foreign Forms**

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* .....  Yes  No
  
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; do not file with Form 990)* .....  Yes  No
  
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)* .....  Yes  No
  
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* .....  Yes  No
  
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* .....  Yes  No
  
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713; do not file with Form 990)* .....  Yes  No

**Part V Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

PART I, LINE 2:

THE ORGANIZATION MAINTAINS SELECTION CRITERIA TO SELECT THE RECIPIENTS OF GRANTS TO ENSURE THE RECIPIENT IS QUALIFIED TO PERFORM THE SERVICES REQUIRED UNDER THE GRANT.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2014**

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Department of the Treasury  
Internal Revenue Service

Name of the organization  
**THE TOR PROJECT, INC.**

Employer identification number  
**20-8096820**

**Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |
- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a? .....
- 3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.
- |  |   |
|--|---|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                               |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |
- 4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:
- a** Receive a severance payment or change-of-control payment? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.
- Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**
- 5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:
- a** The organization? .....
- b** Any related organization? .....
- If "Yes" to line 5a or 5b, describe in Part III.
- 6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:
- a** The organization? .....
- b** Any related organization? .....
- If "Yes" to line 6a or 6b, describe in Part III.
- 7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III .....
- 8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....
- 9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		<b>X</b>
<b>4b</b>		<b>X</b>
<b>4c</b>		<b>X</b>
<b>5a</b>		<b>X</b>
<b>5b</b>		<b>X</b>
<b>6a</b>		<b>X</b>
<b>6b</b>		<b>X</b>
<b>7</b>		<b>X</b>
<b>8</b>		<b>X</b>
<b>9</b>		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2014

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) NICK MATHEWSON V.P./CHIEF ARCHITECT	(i)	135,000.	0.	0.	0.	18,675.	153,675.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) ANDREW LEWMAN TREAS/CLERK/EXEC DIR	(i)	150,000.	0.	0.	3,000.	18,700.	171,700.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

THE TOR PROJECT, INC.

Employer identification number

20-8096820

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

SUCH TOOLS, PROGRAMS AND RELATED ISSUES AROUND THE WORLD; (C) TO

EDUCATE THE GENERAL PUBLIC AROUND THE WORLD ABOUT PRIVACY RIGHTS AND

ANONYMITY ISSUES CONNECTED TO INTERNET USE; AND (D) TO CARRY OUT AND

CONDUCT SUCH OTHER ACTIVITIES AND PROGRAMS IN FURTHERANCE OF THE

FOREGOING PURPOSES AS MAY BE CARRIED OUT AND CONDUCTED BY A CORPORATION

ORGANIZED UNDER CHAPTER 180 OF THE MASSACHUSETTS GENERAL LAWS.

FORM 990, PART VI, SECTION B, LINE 11:

A COPY OF THE FORM 990 IS REVIEWED BY THE EXECUTIVE DIRECTOR AND CFO. A

FINAL VERSION IS SENT TO THE BOARD OF DIRECTORS ONE WEEK BEFORE IT IS

FILED.

FORM 990, PART VI, SECTION B, LINE 12C:

MEMBERS MUST SIGN THE CONFLICT OF INTEREST POLICY STATEMENT ANNUALLY. IF

CONFLICTS ARISE DURING THE YEAR THEY ARE DISCUSSED WITH THE BOARD OF

DIRECTORS AND HANDLED TIMELY AND APPROPRIATELY.

FORM 990, PART VI, SECTION B, LINE 15:

SALARY AND CONTRACTOR COMPENSATION MUST BE APPROVED BY THE BOARD. THE BOARD

LOOKS AT INDUSTRY PAY SCALES AND PAYS AT THE LOWER END OF THE SCALE.

FORM 990, PART VI, SECTION C, LINE 18:

THE GOVERNING DOCUMENTS AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE

PUBLIC UPON REQUEST.

Name of the organization <b>THE TOR PROJECT, INC.</b>	Employer identification number <b>20-8096820</b>
--	---

FORM 990, PART VI, SECTION C, LINE 19:

THE GOVERNING DOCUMENTS AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990; PART XII, LINE 2C:

THE ORGANIZATION HAS AN AUDIT COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE ORGANIZATION'S FINANCIAL STATEMENTS AND SELECTION OF THE INDEPENDENT AUDITORS. THE PROCESS HAS NOT CHANGED DURING THE YEAR.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public Inspection

Name of the organization

**THE TOR PROJECT, INC.**

Employer identification number

**20-8096820**

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
TOR SOLUTIONS CORPORATION - 45-2619704 7 TEMPLE STREET, SUITE A CAMBRIDGE, MA 02139	DESIGN & DEVELOPMENT OF SOFTWARE FOR INTERNET-BASED COMMUNICATION	MASSACHUSETTS	0.	65,633.	THE TOR PROJECT, INC.

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2014



**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
<b>1</b> During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
<b>a</b> Receipt of <b>(i)</b> interest, <b>(ii)</b> annuities, <b>(iii)</b> royalties, or <b>(iv)</b> rent from a controlled entity .....	<b>1a</b>	
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	<b>1b</b>	
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	<b>1c</b>	
<b>d</b> Loans or loan guarantees to or for related organization(s) .....	<b>1d</b>	
<b>e</b> Loans or loan guarantees by related organization(s) .....	<b>1e</b>	
<b>f</b> Dividends from related organization(s) .....	<b>1f</b>	
<b>g</b> Sale of assets to related organization(s) .....	<b>1g</b>	
<b>h</b> Purchase of assets from related organization(s) .....	<b>1h</b>	
<b>i</b> Exchange of assets with related organization(s) .....	<b>1i</b>	
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....	<b>1j</b>	
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....	<b>1k</b>	
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....	<b>1l</b>	
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	<b>1m</b>	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....	<b>1n</b>	
<b>o</b> Sharing of paid employees with related organization(s) .....	<b>1o</b>	
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	<b>1p</b>	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	<b>1q</b>	
<b>r</b> Other transfer of cash or property to related organization(s) .....	<b>1r</b>	
<b>s</b> Other transfer of cash or property from related organization(s) .....	<b>1s</b>	

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			







MOODY, FAMIGLIETTI & ANDRONICO  
Certified Public Accountants & Consultants

**THE TOR PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND REPORTS REQUIRED FOR AUDITS IN**  
**ACCORDANCE WITH *GOVERNMENT AUDITING***  
***STANDARDS* AND OMB CIRCULAR A-133**

**DECEMBER 31, 2014 AND 2013**



To the Board of Directors  
The Tor Project, Inc. and Subsidiary  
Cambridge, Massachusetts

## INDEPENDENT AUDITORS' REPORT

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The Tor Project, Inc. and Subsidiary (collectively referred to as the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements 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 the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Tor Project, Inc. and Subsidiary as of December 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



*Other Matter*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2015, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Moody, Famiglietti & Andronico, LLP*

Moody, Famiglietti & Andronico, LLP  
Tewksbury, Massachusetts  
October 27, 2015

December 31	2014	2013
<b>Assets</b>		
Current Assets:		
Cash and Equivalents	\$ 1,052,828	\$ 849,553
Grants and Contracts Receivable	671,866	785,589
Assets Whose Use is Limited	49,718	51,973
Prepaid Expenses	14,871	10,631
Total Current Assets	1,789,283	1,697,746
Property and Equipment, Net of Accumulated Depreciation	-	1,125
Security Deposit	1,367	1,367
<b>Total Assets</b>	<b>\$ 1,790,650</b>	<b>\$ 1,700,238</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts Payable	\$ 116,790	\$ 175,579
Accrued Expenses	53,900	33,706
Deferred Revenue	93,409	-
Other Liability- Assets Whose Use is Limited	49,718	51,973
Total Liabilities	313,817	261,258
Net Assets:		
Unrestricted	1,476,833	1,428,980
Temporarily Restricted	-	10,000
Total Net Assets	1,476,833	1,438,980
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,790,650</b>	<b>\$ 1,700,238</b>

For the Years Ended December 31	2014	2013
<b>Changes in Unrestricted Net Assets:</b>		
Revenues and Other Support:		
Grants and Contribution Revenue	\$ 1,662,498	\$ 1,957,725
Contract Revenue	892,251	911,759
Donated Services	427,000	387,500
Net Assets Released from Restriction	10,000	272,161
Other Revenue	-	2,138
<b>Total Unrestricted Revenues and Other Support</b>	<b>2,991,749</b>	<b>3,531,283</b>
Expenses:		
Program Services	2,771,084	2,612,223
Management and General	143,506	177,230
Fundraising	30,954	29,988
<b>Total Expenses</b>	<b>2,945,544</b>	<b>2,819,441</b>
<b>Increase in Unrestricted Net Assets from Operations</b>	<b>46,205</b>	<b>711,842</b>
Non-Operating Income:		
Interest Income	1,648	1,152
Other Income	-	155
<b>Total Non-Operating Income</b>	<b>1,648</b>	<b>1,307</b>
<b>Increase in Unrestricted Net Assets</b>	<b>47,853</b>	<b>713,149</b>
<b>Changes in Temporarily Restricted Net Assets:</b>		
Net Assets Released from Restriction	(10,000)	(272,161)
<b>Increase in Net Assets</b>	<b>37,853</b>	<b>440,988</b>
Net Assets, Beginning of Year	1,438,980	997,992
Net Assets, End of Year	<b>\$ 1,476,833</b>	<b>\$ 1,438,980</b>

For the Years Ended December 31	2014				2013			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and Related Taxes and Benefits	\$ 1,160,961	\$ 32,380	\$ 26,462	\$ 1,219,803	\$ 1,222,710	\$ 59,619	\$ 25,047	\$ 1,307,376
Contract Services	773,668	3,500	-	777,168	691,196	897	-	692,093
Donated Services	427,000	-	-	427,000	387,500	-	-	387,500
Travel and Meals	132,854	74,354	1,564	208,772	102,558	86,693	2,727	191,978
Professional Fees	150,066	21,254	1,950	173,270	117,826	13,887	1,205	132,918
Information Technology	33,881	1,212	82	35,175	9,226	986	117	10,329
Advertising and Marketing	23,179	2,823	259	26,261	10,746	1,634	142	12,522
Occupancy	20,386	3,039	279	23,704	17,904	3,139	273	21,316
Bank Fees and Service Charges	10,214	1,523	140	11,877	7,033	1,069	93	8,195
Other Expenses	10,141	756	69	10,966	3,510	669	47	4,226
Research and Development Grants	10,500	-	-	10,500	10,000	-	-	10,000
Office Supplies	7,018	1,045	96	8,159	8,125	1,235	107	9,467
Program Supplies	6,445	-	-	6,445	12,531	675	80	13,286
Conferences	3,001	836	29	3,866	4,592	698	61	5,351
Depreciation	968	144	13	1,125	4,400	669	58	5,127
Insurance	802	120	11	933	2,366	360	31	2,757
Donations	-	520	-	520	-	5,000	-	5,000
<b>Total Functional Expenses</b>	<b>\$ 2,771,084</b>	<b>\$ 143,506</b>	<b>\$ 30,954</b>	<b>\$ 2,945,544</b>	<b>\$ 2,612,223</b>	<b>\$ 177,230</b>	<b>\$ 29,988</b>	<b>\$ 2,819,441</b>

For the Years Ended December 31	2014	2013
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 37,853	\$ 440,988
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,125	5,127
Decrease (Increase) in Grants and Contracts Receivable	113,723	(121,632)
Increase in Prepaid Expenses	(4,240)	(2,691)
Decrease in Restricted Cash	-	1,002
Decrease in Accounts Payable	(58,789)	(74,738)
Increase (Decrease) in Accrued Expenses	20,194	(30,548)
Increase (Decrease) in Deferred Revenue	93,409	(10,934)
<b>Net Cash Provided by Operating Activities</b>	<b>203,275</b>	<b>206,574</b>
Net Cash Used in Investing Activities:		
Payment of Security Deposit	-	(1,367)
Net Increase in Cash and Equivalents	<u>203,275</u>	<u>205,207</u>
Cash and Equivalents, Beginning of Year	<u>849,553</u>	<u>644,346</u>
Cash and Equivalents, End of Year	<u><u>\$ 1,052,828</u></u>	<u><u>\$ 849,553</u></u>

## 1. Organization and Significant Accounting Policies:

*Principles of Consolidation:* The consolidated financial statements of The Tor Project, Inc. and Subsidiary (collectively referred to as the "Organization") include the accounts of The Tor Project, Inc. (referred to as "Tor") and Tor Solution Corporation (the "Corporation" or the "Subsidiary"). All significant intercompany balances and transactions have been eliminated in consolidation.

*Nature of Organization:* Tor is a nonprofit organization dedicated to allowing individuals and groups to protect their internet traffic from analysis. Tor provides the foundation for a range of applications that allow for the sharing of information over public networks without compromising privacy.

The Subsidiary is a Massachusetts corporation incorporated on June 24, 2011, on which date Tor became the sole member. In addition, the Subsidiary was established to design, develop, publish, and reproduce computer software or the equivalent for any mode of electronic or internet-based communications.

*Method of Accounting:* The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting procedures generally accepted in the United States of America (GAAP).

*Classification and Reporting of Net Assets:* The Organization 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. A description of the three net asset classes follows:

- Unrestricted net assets represents the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Organization's operations and investments in property and equipment.
- Temporarily restricted net assets result from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that

either expire by the passage of time or can be fulfilled and released by actions of the Organization pursuant to those stipulations.

- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. As of December 31, 2014 and 2013, the Organization does not have any permanently restricted net assets.

*Fair Value:* The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

## 1. Organization and Significant Accounting Policies (Continued):

*Cash and Equivalents:* The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and therefore believes it is not exposed to any significant risks on cash and equivalents. The Organization has a cash management program, which provides for the investment of excess cash balances primarily in money market funds, which are valued using Level 1 inputs. The Organization considers highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

*Concentration of Credit Risk:* Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents and grants and contracts receivable. The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. There was no allowance for doubtful receivables as of December 31, 2014 and 2013.

*Property and Equipment:* Property and equipment, which consists of computer equipment, are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three years.

*Revenue Recognition:* Revenues and other support are reported as increases in unrestricted net assets unless the use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Grant and contract revenues are recognized upon the performance of reimbursable activities when persuasive evidence of an agreement exists, delivery of the services has occurred, the fee is fixed and determinable, and collectability is probable.

*Deferred Revenue:* Deferred revenue results from revenues received for services that have not yet been performed by the Organization.

*Contributions:* Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor imposed restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as recognized are reported as revenues of the unrestricted net asset class. Contributions received with donor-imposed restrictions that are met subsequent to the year in which they are received are reported as revenues of the temporarily restricted net asset class when they are recognized. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met. Contributions of services are reported as revenue and expenses of the unrestricted net asset class at the fair value of the services received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses of the unrestricted net asset class at the time the goods or space is received.

*Advertising:* The Organization expenses advertising costs as incurred. During the years ended December 31, 2014 and 2013, advertising expense amounted to \$26,261 and \$12,522.

*Income Taxes:* The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Subsidiary is a disregarded entity for tax purposes. As a result, no provision for income taxes is presented in these consolidated financial statements. However, in certain circumstances, the Organization may be subject to federal and state income taxes for profits generated from unrelated trade or business income. The Organization has determined that it does not have any liabilities associated with unrelated trade or business income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the consolidated financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its consolidated statements of activities.

**1. Organization and Significant Accounting Policies (Continued):**

The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of December 31, 2014 or 2013. The Organization does not expect any material change in uncertain tax benefits within the next twelve months.

The Organization is currently not under examination by any taxing authorities and is generally open to examination for three years from the date of filing.

*Uses of Estimates:* Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the consolidated financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

*Subsequent Events:* Management has evaluated subsequent events spanning the period from December 31, 2014 through October 27, 2015, the date the consolidated financial statements were available to be issued.

**2. Assets Whose Use is Limited:**

Tor, along with other sponsors, acts as an agent on behalf of the Privacy Enhancing Technology Symposium (the "Conference") by performing administrative functions, including custody of the Conference's operating cash account and performance of the cash receipts and cash disbursements functions. Funds held for the Conference are segregated from the general assets of Tor and are shown on the consolidated statements of financial position as an asset

and a corresponding liability in the amounts of \$49,718 and \$51,973, as of December 31, 2014 and 2013, respectively. No fees are charged by Tor for these services.

**3. Property and Equipment:**

Property and equipment as of December 31, 2014 and 2013 consists of the following:

	2014	2013
Computer Equipment	\$ 24,004	\$ 24,004
Less: Accumulated Depreciation	24,004	22,879
	<u>\$ -</u>	<u>\$ 1,125</u>

Depreciation expense for the years ended December 31, 2014 and 2013 amounted to \$1,125 and \$5,127, respectively.

**4. Concentrations:**

The Organization received approximately 75% and 90% of its grants and contribution revenues from two and three federal grants during the years ended December 31, 2014 and 2013, respectively. As of December 31, 2014 and 2013, approximately 91% and 89% of grants and contracts receivable, respectively, were due from four and three of the federal grants, respectively.

The Organization received approximately 100% and 94% of its contract revenue from two customers for the years ended December 31, 2014 and 2013, respectively.

**5. Donated Services:**

Tor receives donated services in various aspects of its operations and programs. The fair value of services as determined by the donor or by management for the years ended December 31, 2014 and 2013 is as follows:

	2014	2013
Software Development	\$ 222,000	\$ 210,000
Website Hosting	141,000	127,500
Language Translation	64,000	50,000
	<u>\$ 427,000</u>	<u>\$ 387,500</u>

**6. Temporarily Restricted Net Assets:**

There were no temporarily restricted net assets as of December 31, 2014. Temporarily restricted net assets as of December 31, 2013 include unexpended contributions and grants temporarily restricted by donors and amounted to \$10,000 restricted for the purpose of protection of internet traffic.

**7. Net Assets Released from Restriction:**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of other events specified by donors or by the passage of time. Net assets released from restriction during the years ended December 31, 2014 and 2013 consist of the following:

	2014	2013
Purpose Restricted:		
Security Toolkit		
for Journalists	\$ -	\$ 132,161
OONI Project	-	20,000
Protection of		
Internet Traffic	10,000	-
	<u>10,000</u>	<u>152,161</u>
Purpose and Time Restricted:		
Security Toolkit		
for Journalists	-	120,000
	<u>\$ 10,000</u>	<u>\$ 272,161</u>

**8. Operating Leases:**

Effective September 2013, the Organization was a party to an operating lease agreement for office space in Cambridge, Massachusetts, which expires on August 31, 2018. The lease agreement requires monthly rental payments of \$1,400. The operating lease was amended in December 2014 to include additional office space. The lease agreement amendment requires additional monthly payments of \$325 through November 30, 2015.

Future minimum lease payments due under this non-cancelable lease agreement as of December 31, 2014 are as follows:

Year Ended	
<u>December 31,</u>	
2015	20,525
2016	17,374
2017	17,808
2018	<u>12,068</u>
	<u>\$ 67,775</u>

Rent expense incurred by the Organization under these lease agreements amounted to \$18,229 and \$14,201 for the years ended December 31, 2014 and 2013, respectively.

**9. Retirement and Fringe Benefits:**

The Organization sponsors an IRC Section 408(p), SIMPLE IRA Plan (the "Plan") for all employees, which allows participants to defer a portion of their salaries into an investment plan of the participant's choosing. Once the employee has established an account with a financial institution the Organization makes a contribution to the Plan each month equal to 2% of the employee's gross salary. Total expenses related to this plan amounted to \$5,700 and \$5,670 for the years ended December 31, 2014 and 2013, respectively.

**10. Indemnifications:**

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2014 and 2013, no amounts have been accrued related to such indemnification provisions.

**11. Commitments and Contingencies:**

Subsequent to December 31, 2014 the Organization finalized an early contract termination with a vendor under which the remaining contract value would be paid. As termination discussions were in-process prior to year-end, the liability of \$32,500 has been included in accrued expenses on the Organization's accompanying consolidated statements financial position. Additionally, subsequent to December 31, 2014, the Organization entered into a severance agreement with a former employee. The associated liability of \$37,500 has not been recorded on the Organization's accompanying consolidated statements of financial position and will be recognized as a period expense in the 2015 fiscal year.

For the Year Ended December 31

2014

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass -Through Entity Identifying Number	Federal Expenditures
<b>Major Program:</b>			
U.S. Department of State			
Direct -			
International Programs to Support Democracy, Human Rights and Labor	19.345	N/A	\$ 635,122
Pass-Through -			
Internews Network International Programs to Support Democracy, Human Rights and Labor	19.345	F5047-TOR-00	<u>(23,504)</u>
Total Major Program			<u>611,618</u>
<b>Non-Major Programs:</b>			
<i>Research and Development Cluster</i>			
National Science Foundation			
Direct -			
Computer and Information Science and Engineering	47.070	N/A	89,084
Pass-Through -			
Regents of the University of Minnesota Computer and Information Science and Engineering	47.070	A003482101	<u>22,085</u>
<i>Total Research and Development Cluster</i>			<u>111,169</u>
Total Non-Major Programs			<u>111,169</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 722,787</u></u>

**Notes to the Consolidated Schedule of Expenditures of Federal Awards***Note 1 – Basis of Presentation*

The accompanying consolidated schedule of expenditures of federal awards includes the federal grant activity of The Tor Project, Inc. and Subsidiary (“the Organization”), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

*Note 2 – Summary of Significant Accounting Policies*

Expenditures reported on the consolidated schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles of Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the consolidated schedule of expenditures of federal awards, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented when available.



To the Board of Directors  
The Tor Project, Inc. and Subsidiary  
Cambridge, Massachusetts

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed In  
Accordance with *Government Auditing Standards***

**INDEPENDENT AUDITORS' REPORT**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying consolidated financial statements of The Tor Project, Inc. and Subsidiary (collectively referred to as the "Organization") which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 27, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness, listed as item 2014-001 and a significant deficiency, listed as item 2014-002.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002.

### **The Tor Project, Inc. and Subsidiary's Response to Findings**

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moody, Famiglietti & Andronico, LLP*

Moody Famiglietti & Andronico, LLP  
Tewksbury, Massachusetts  
October 27, 2015



To the Board of Directors  
The Tor Project, Inc. and Subsidiary  
Cambridge, Massachusetts

**Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133**

**INDEPENDENT AUDITORS' REPORT**

**Report on Compliance for Each Major Federal Program**

We have audited The Tor Project, Inc. and Subsidiary's (collectively referred to as the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2014. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

***Basis for Qualified Opinion on CFDA 19.345 International Programs to Support Democracy, Human Rights and Labor***

As described in the accompanying schedule of findings and questioned costs, the Organization did not comply with requirements regarding CFDA 19.345 International Programs to Support Democracy, Human Rights and Labor as described in finding number 2014-001 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the Organization to comply with the requirements applicable to that program.



***Qualified Opinion on CFDA 19.345 International Programs to Support Democracy, Human Rights and Labor***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on 19.345 International Programs to Support Democracy, Human Rights and Labor for the year ended December 31, 2014.

***Other Matters***

The Organization's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness, listed as item 2014-001 and a significant deficiency, listed as item 2014-002.



*Other Matters*

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Moody, Famiglietti & Andronico, LLP*

Moody, Famiglietti & Andronico, LLP  
Tewksbury, Massachusetts  
October 27, 2015

Year Ended December 31, 2014

**I. Summary of Independent Auditors' Results**

Consolidated Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified?   X   Yes        No
- Significant deficiencies identified that are not considered to be material weaknesses?   X   Yes        None Reported

Noncompliance material to consolidated financial statements noted?   X   Yes        No

Federal Awards

Internal control over major program:

- Material weakness identified?   X   Yes        No
- Significant deficiencies identified that are not considered to be material weaknesses?   X   Yes        None Reported

Type of auditors' report issued on compliance for major programs: Qualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?   X   Yes        No

Identification of major program:

CFDA Number

19.345

Name of Federal Program or Cluster

International Programs to Support Democracy, Human Rights and Labor

Dollar threshold used to distinguish between Type A and Type B programs   \$ 300,000  

Auditee qualifies as low-risk auditee?        Yes   X   No

**Year Ended December 31, 2014**

**II. Findings Related to the Consolidated Financial Statement Audit as Required to be Reported in Accordance with Government Auditing Standards:**

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Financial Reporting

**2014-001 – Allowable Costs**

*Criteria:* Program costs should only be invoiced and drawn down up to the allowable amounts per the budget established in the grant agreement.

*Condition:* During 2014, the Organization's allocation of other direct costs to the program exceeded the total budget allowed in the grant agreement by approximately \$70,000.

*Context:* During review of the Organization's program expense for the program tested it was discovered that the cumulative billed expenses for the other direct expense budget line item had exceeded the budget by approximately \$70,000, however the total program expenses in the program budget have not been exceeded.

*Questioned Costs:* Questioned costs included approximately \$70,000 of direct costs billed in excess of amounts allowed.

*Effect:* The billing of the direct expenses in excess of amounts budgeted has caused the Organization to draw down federal funds in excess of allowable expenses incurred. This advancement of federal funds has not been maintained in accordance with federal cash management criteria. The effect of this error is material to the consolidated financial statements and to the compliance with federal programs under OMB A-133.

*Cause:* The additional expenses included in the other direct expense line were a direct result of increased time and effort during 2014 on the federal program tested. This resulted in the Organization's allocation methodology to apply more overhead to the grant program, however the grant program's budgeted allocation is significantly lower. The Organization did not review the individual budget line items before submitting invoices and drawing down federal funds.

*Recommendation:* We recommend that the Organization implement a policy to review budget to actual expenses, by federal grant program, on an individual budget line item basis, in order to determine whether funds can be invoiced and drawn down. This will ensure that the Organization is submitting expenses which are in line with the grant program budget and ensure that billings do not exceed allowable costs. Additionally, the Organization may consider requesting an amendment to the award to reallocate resources to different line items.

*Views of Responsible Officials and Planned Corrective Actions:* Management currently has a system of controls to ensure that total billings on federal contracts are reviewed against total budgets to prevent overbilling. To address the risk of overbilling against individual budget line items, Management is in the process of extending these controls to ensure that reviews of spending to budget are routinely made on a line item basis. In addition, Management is instituting a process of project forecasting to identify likely future line-item overruns, and to ensure that timely budget re-allocation requests can be made where appropriate to prevent these overruns from occurring. In the case of the condition noted, subsequent to year-end, an amendment to the award was requested and was granted such that the direct costs identified above now comply with federal program compliance criteria.

**II. Findings Related to the Consolidated Financial Statement Audit as Required to be Reported in Accordance with Government Auditing Standards (Continued):**

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Financial Reporting (Continued)

**2014-002 – Classification of Direct Costs**

*Criteria:* Direct costs should be charged to the appropriate federal programs.

*Condition:* One instance was noted whereby a direct cost was erroneously charged to an incorrect federal program.

*Questioned Cost:* None noted in excess of reportable amount of \$10,000.

*Context:* The invoice supporting the direct costs reflected detailed tasks completed for a different federal program.

*Cause:* An invoice for another federal program was erroneously charged to this federal program, resulting in the incorrect amount of expense being charged to this federal program.

*Recommendation:* The Organization should implement a review process, specifically for federal programs which requires detailed expense reports to be attached and reviewed, in order to ensure that the proper expenses are being billed to the correct federal program. This review process will ensure that the Executive Director is aware of funds being requested and whether the amounts requested are charged to the correct program and reasonable.

*Views of Responsible Officials and Planned Corrective Actions:* Management currently has controls in place to ensure that proper expenses are charged to correct programs. Management agrees with the recommendation, and will take steps to periodically review detailed expense reports and associated invoices that are directly charged to federal programs to ensure that funds being requested are reasonable and are charged to the correct program.

B. Compliance Findings

See 2014-001 in Part II, A

**III. Findings and Questioned Costs for Major Federal Award Programs to be Reported in Accordance with OMB A-133.**

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance

See 2014-001 and 2014-002 in Part II, A

B. Compliance Findings

See 2014-001 in Part II, A

**Year Ended December 31, 2014**

Prior Year Findings:

**I. Findings Related to the Consolidated Financial Statement Audit as Required to be Reported in Accordance with Government Auditing Standards:****A. Significant Deficiencies or Material Weaknesses in Internal Control Over Financial Reporting****2013-001 – Cost Allocations**

*Criteria:* Indirect cost allocation methods should be uniformly and consistently implemented to all programs.

*Condition:* During 2013, the spreadsheet used to allocate employee time across various programs contained an error. The under and overstatement of three employees' time for various grant programs resulted in a misallocation of employee time and, subsequently, indirect costs. The misallocation, while not material, was not discovered by the Organization's internal controls.

*Context:* We tested the accuracy of the employees' annual time sheet inputs on the Allocation by Program spreadsheet by selecting a sample of employees and viewing each employee's monthly time card. It was discovered during this review that three employees had time improperly entered into the Allocation by Program spreadsheet, which caused the employees' time on an annual basis to be over or under reported.

*Effect:* The Allocation by Program spreadsheet allocates employee salaries and indirect costs based upon the ratio of time spent on each program to annual time work each employee. The data entry errors for the three employees' time on the spreadsheet resulted in improper salary and, subsequently, indirect cost allocation calculations. The effect of this error was not material to the consolidated financial statements or to compliance with Federal Programs under OMB A-133.

*Cause:* The input errors were a result of not receiving monthly employee time sheets timely. This delay caused either the employee's time sheet to never be entered into the Allocation by Program spreadsheet or the improper amount time was entered. These errors were not discovered, as there is no detailed review process for the Allocation by Program spreadsheet.

*Recommendation:* We recommend that monthly employee time cards be received as close to month end as possible to avoid missed entry. Additionally, we recommend that a detailed review process be implemented to ensure that the manual inputs into the spreadsheet are appropriate.

*Views of Responsible Officials and Planned Corrective Actions:* Management has a system of controls whereby detailed reviews of total dollars and percentages allocated to federal programs are performed. As no material amounts were misallocated as a result of the input error, the current system of controls did not identify the input error. In order to prevent input errors that serve to generate these allocations, management will institute a second level of detailed review. The detailed review will include agreeing all manual spreadsheet inputs to source documentation. The Organization has contracted a second accounting staff person to assist in this review function.

*Resolution:* No findings were noted in 2014 compliance testing procedures relative to this finding.

**I. Findings Related to the Consolidated Financial Statement Audit as Required to be Reported in Accordance with Government Auditing Standards (Continued):**

**2013-002 – Classification of Direct Costs**

Federal Program 19.345 International Programs to Support Democracy, Human Rights and Labor

*Criteria:* Direct costs should be charged to the appropriate federal programs.

*Condition:* During 2013, an instance was noted where a direct cost was allocated to this federal program incorrectly.

*Context:* During the audit it was noted that the invoice supporting the direct costs reflected detailed tasks completed for a different federal program. The incorrect posting of this direct cost did not result in an overbilling as the funding is based on certain milestones, which were completed by the Organization prior to billing.

*Cause:* An invoice for another federal program was erroneously charged to this federal program, resulting in the incorrect amount of expense being charged to this federal program.

*Recommendation:* The Organization should implement a review process, especially for federal programs which requires detailed expense reports to be attached and reviewed, in order to ensure that the proper expenses are being billed to the correct federal program. This review process will ensure that the Executive Director is aware of funds being requested and whether the amounts requested are reasonable.

*Views of Responsible Officials and Planned Corrective Actions:* Management has a system of controls that allocates milestone based contracts to the same cost center as there is no cost reimbursement requirement. Both invoices included in this misidentification noted in this finding were recorded in the same cost center, as a result the misidentification was not corrected by management in a timely manner. Management will perform a detailed review of all invoice directly allocated to a particular federal program to ensure that it has been properly identified in our books and records.

*Resolution:* There was an additional finding noted during 2014. See 2014-002 in Part II, A of the consolidated schedule of findings and questioned costs.

**B. Compliance Findings**

None

**II. Findings and Questioned Costs for Major Federal Award Programs to be Reported in Accordance with OMB A-133.**

**A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance**

See 2013-001 and 2013-002 in Part I, A, above.

**B. Compliance Findings**

None

