

Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 5.x products, uncheck the "Shrink oversized pages to paper size" and uncheck the "Expand small pages to paper size" options, in the Adobe "Print" dialog. When using Acrobat 6.x and later products versions, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

CLIENT'S COPY

client copy

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

December 31, 2009

Prepared for	THE TOR PROJECT, INC. 969 Main Street No. 206 Walpole, MA 02081
Prepared by	Moody, Famiglietti & Andronico, LLP 1 Highwood Drive Tewksbury, MA 01876
Amount due or refund	Not applicable
Make check payable to	Not applicable
Mail tax return and check (if applicable) to	Not applicable
Return must be mailed on or before	Not applicable
Special Instructions	This return has been prepared for electronic filing. If you wish to have it transmitted electronically to the IRS, please sign, date, and return Form 8879-EO to our office. We will then submit the electronic return to the IRS. Do not mail a paper copy of the return to the IRS. Return Form 8879-EO to us by November 15, 2010.

EXTENSION GRANTED UNTIL NOVEMBER 15, 2010
Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2009

Open to Public Inspection

Form **990**

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning and ending

B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization THE TOR PROJECT, INC. Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 969 MAIN STREET 206 City or town, state or country, and ZIP + 4 WALPOLE, MA 02081	D Employer identification number 20-8096820
		F Name and address of principal officer: ANDREW LEWMAN SAME AS C ABOVE	E Telephone number 781.424.9877
		I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	G Gross receipts \$ 1,041,633.
		J Website: WWW.TORPROJECT.ORG	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
		K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other	L Year of formation: 2006 M State of legal domicile: MA

Part I Summary

	1 Briefly describe the organization's mission or most significant activities: RESEARCH, DEVELOPMENT, EDUCATION AND ADVOCACY INTO ONLINE ANONYMITY AND PRIVACY.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	8
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	5
	5 Total number of employees (Part V, line 2a)	5	4
	6 Total number of volunteers (estimate if necessary)	6	2500
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b Net unrelated business taxable income from Form 990-T, line 34	7b	0.
	Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 13,150.
9 Program service revenue (Part VIII, line 2g)		569,611.	1,006,548.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		3,344.	4,950.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			162.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		586,105.	1,041,633.
Expenses		13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	66,433.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	306,974.	807,612.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	
	16b Total fundraising expenses (Part IX, column (D), line 25) ▶ 9,145.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	81,804.	156,267.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	455,211.	1,045,858.	
19 Revenue less expenses. Subtract line 18 from line 12	130,894.	-4,225.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 378,347.	End of Year 527,108.
	21 Total liabilities (Part X, line 26)	26,646.	179,632.
	22 Net assets or fund balances. Subtract line 21 from line 20	351,701.	347,476.

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.

Sign Here	Signature of officer ANDREW LEWMAN, CLERK, TREAS., EXEC. DIR. Type or print name and title	Date	
Paid Preparer's Use Only	Preparer's signature Firm's name (or yours if self-employed), address, and ZIP + 4 MOODY, FAMIGLIETTI & ANDRONICO, LLP 1 HIGHWOOD DRIVE TEWKSBURY, MA 01876	Date	Check if self-employed <input type="checkbox"/> Preparer's identifying number (see instructions) EIN ▶ 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

1 Briefly describe the organization's mission: SEE SCHEDULE O FOR CONTINUATION (A) TO DEVELOP, IMPROVE AND DISTRIBUTE FREE, PUBLICLY AVILABLE 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 No [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 No [X] No If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

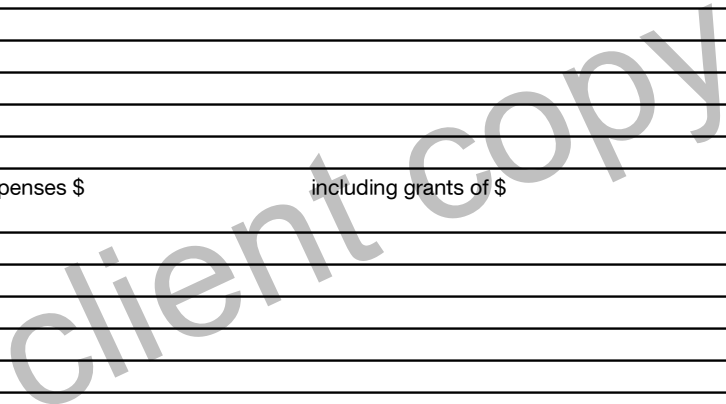
4a (Code:) (Expenses \$ 788,146. including grants of \$ 81,979.) (Revenue \$ 1,006,710.) TO ENABLE, WITH THE USE OF FREE SOFTWARE, AND EDUCATE THE GENERAL PUBLIC ABOUT INTERNET PRIVACY AND ANONYMITY. FUND RESEARCH GRANTS TO FURTHER THIS PURPOSE.

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 \$ 788,146.



Part IV Checklist of Required Schedules

		Yes	No
1	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	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	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
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	N/A	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where 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
7	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
8	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
9	Did the organization report an amount in Part X, line 21; 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
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• 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>		
	• 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>		
	• 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>		
	• 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>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• 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? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	Yes	No
			X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	X	
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	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
18	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
19	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
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 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	
24a 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 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. 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 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
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 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):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
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
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 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
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 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
33 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
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. 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
37 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
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	1a 6		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
	1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 4		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
	3a		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
	4a		
b	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	4b		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
	5a		
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
	5b		
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
	6a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
	7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
	7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
	7f		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
	7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.	Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A		
	8		
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966? N/A		
	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person? N/A		
	9b		
10 Section 501(c)(7) organizations.	Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 N/A	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11 Section 501(c)(12) organizations.	Enter:		
a	Gross income from members or shareholders N/A	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a Section 4947(a)(1) non-exempt charitable trusts.	Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	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
3	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
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	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
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	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?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
16a	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
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken 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 (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **MELISSA GILROY, CPA - 781-696-4019**
969 MAIN STREET, SUITE 206, WALPOLE, MA 02081

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

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. Use Schedule J-2 if additional space is needed.

- 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. 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 the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
ROGER DINGLEDINE PRES/RESEARCH DIRECTOR	40.00	X		X			120,000.	0.	4,716.	
NICK MATHEWSON V.P./CHIEF ARCHITECT	40.00	X		X			120,000.	0.	8,589.	
ANDREW LEWMAN TREAS/CLERK/EXEC DIR	40.00	X		X			132,000.	0.	18,061.	
IAN GOLDBERG DIRECTOR	3.00	X					0.	0.	0.	
XIANGHUI MAO DIRECTOR	3.00	X					0.	0.	0.	
WENDY SELTZER DIRECTOR	3.00	X					0.	0.	0.	
FRED VON LOHMANN DIRECTOR	3.00	X					0.	0.	0.	
FRANK RIEGER DIRECTOR	3.00	X					0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position (Individual trustee or director, Institutional trustee, Officer, Key employee, Highest compensated employee, Former), (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation.

1b Total 372,000. 0. 31,366.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization 3

Table with 3 columns: Question number, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. Includes entry for KARSTEN LOESING, METRICS RESEARCHER, 102,937.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 1

Part VIII Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	29,973.			
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f		29,973.			
Program Service Revenue	2 a INTERNEWS NETWORK	Business Code 900099	632,189.	632,189.		
	b INT'L BROADCASTING BUR	900099	270,000.	270,000.		
	c STICHTING NET (NETHERL	900099	38,279.	38,279.		
	d GOOGLE (US)	900099	29,083.	29,083.		
	e ITT	900099	27,000.	27,000.		
	f All other program service revenue	900099	9,997.	9,997.		
	g Total. Add lines 2a-2f		1,006,548.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		4,950.		4,950.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross Rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
	c Rental income or (loss)					
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		b Less: direct expenses	b			
c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a PETS INCOME	900099	162.	162.			
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		162.				
12 Total revenue. See instructions.		1,041,633.	1,006,710.	0.	4,950.	

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) but are not required to complete columns (B), (C), and (D).

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 governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	81,979.	81,979.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	403,367.	289,628.	112,727.	1,012.
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	364,604.	281,851.	74,753.	8,000.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	39,641.	29,192.	10,386.	63.
11 Fees for services (non-employees):				
a Management				
b Legal	8,874.	6,902.	1,965.	7.
c Accounting	30,000.	30,000.		
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	8,502.	8,502.		
12 Advertising and promotion	3,464.	1,704.	1,758.	2.
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	68,085.	52,826.	15,205.	54.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	3,068.		3,068.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	1,457.	1,133.	323.	1.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a R & D SUPPORT COSTS	16,884.		16,884.	
b MISCELLANEOUS EXPENSES	11,948.	3,693.	8,251.	4.
c BANK FEES AND SERVICES	3,985.	736.	3,247.	2.
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	1,045,858.	788,146.	248,567.	9,145.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	48,731.	1	122,522.
	2 Savings and temporary cash investments	274,116.	2	366,620.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	55,000.	4	30,000.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	500.	9	1,749.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	0.	15	6,217.
16 Total assets. Add lines 1 through 15 (must equal line 34)	378,347.	16	527,108.	
Liabilities	17 Accounts payable and accrued expenses	26,646.	17	173,415.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	0.	25	6,217.
	26 Total liabilities. Add lines 17 through 25	26,646.	26	179,632.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	351,701.	27	347,476.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	351,701.	33	347,476.
34 Total liabilities and net assets/fund balances	378,347.	34	527,108.	

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c 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.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis Consolidated basis Both consolidated and separate basis

3a 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?

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.

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2009)

client copy

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

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

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?		
(ii) A family member of a person described in (i) above?		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")			109,955.	109,797.	36,973.	256,725.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3			109,955.	109,797.	36,973.	256,725.
5 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)						
6 Public support. Subtract line 5 from line 4.						256,725.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4			109,955.	109,797.	36,973.	256,725.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources			10.	3,344.	4,950.	8,304.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)					162.	162.
11 Total support. Add lines 7 through 10						265,191.
12 Gross receipts from related activities, etc. (see instructions)					12	999,548.

13 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

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%

16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support test - 2008. 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 **stop here.** The organization qualifies as a publicly supported organization

17a 10% -facts-and-circumstances test - 2009. 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 **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

b 10% -facts-and-circumstances test - 2008. 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 **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 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						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
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						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (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

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. 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 - 2008. 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 **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

SCHEDULE A, PART II, LINE 10, EXPLANATION FOR OTHER INCOME:

MISCELLANEOUS INCOME

client copy

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2009

Name of the organization

THE TOR PROJECT, INC.

Employer identification number

20-8096820

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

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

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ANONYMOUS C/O TOR PROJECT 969 MAIN STREET #206 WALPOLE, MA 02081	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

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, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public
Inspection

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 contributions to (during year)		
3 Aggregate 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.

1 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 pleasure)	<input type="checkbox"/> Preservation of an 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	

2 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	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 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)?

Yes No

9 In Part XIV, 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.

- 1a If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116, 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) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 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 relating to these items:
- a Revenues 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 XIV.
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?

Part IV Escrow and Custodial Arrangements. Complete if 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?
b If "Yes," explain the arrangement in Part XIV and complete the following table:
Table with columns: Amount, 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance
2a Did the organization include an amount on Form 990, Part X, line 21?
b If "Yes," explain the arrangement in Part XIV.

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

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows include: 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 year end balance held as:
a Board designated or quasi-endowment %
b Permanent endowment %
c Term endowment %

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
(i) unrelated organizations
(ii) related organizations
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 4 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows include: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) 0.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,041,633.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,045,858.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-4,225.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	0.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-4,225.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	1,258,353.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	216,720.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	216,720.
3	Subtract line 2e from line 1	3	1,041,633.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	1,041,633.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	1,262,578.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	216,720.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	216,720.
3	Subtract line 2e from line 1	3	1,045,858.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	1,045,858.

Part XIV Supplemental Information

Complete this part to 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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**Schedule F
(Form 990)**

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

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" to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**

2 For grantmakers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, 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 region
NORTH AMERICA	0	0	RESEARCH & DEVELOPMENT	COMPUTER PROGRAMMING	10,000.
EUROPE	0	0	RESEARCH & DEVELOPMENT	COMPUTER PROGRAMMING	71,979.
Totals	0	0			81,979.

Part IV Supplemental Information

Complete this part to provide the information required in Part I, line 2, and any additional information.

SCHEDULE F, PART I, LINE 2: THE ORGANIZATION MAINTAINS SELECTION CRITERIA TO SELECT THE RECIPIENTS OF GRANT TO ENSURE THE RECIPIENT IS QUALIFIED TO PERFORM THE SERVICES REQUIRED UNDER THE GRANT.

client copy

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

THE TOR PROJECT, INC.

Employer identification number

20-8096820

Part I Questions Regarding Compensation

	Yes	No
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"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <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	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input type="checkbox"/> Compensation survey or study <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?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
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) and 501(c)(4) 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?	5a	X
b Any related organization?	5b	X
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?	6a	X
b Any related organization?	6b	X
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	7	X
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 Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

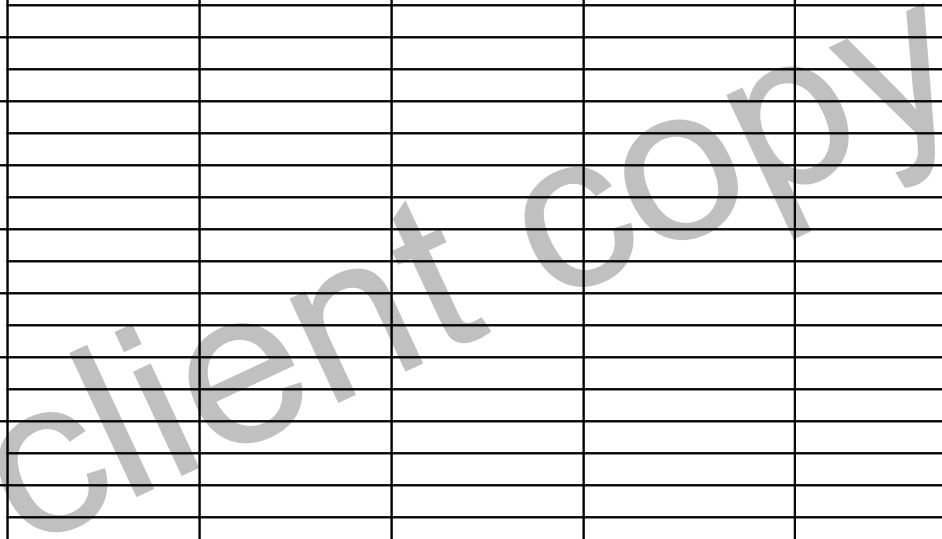
Schedule J (Form 990) 2009

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(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 reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
ANDREW LEWMAN	(i)	132,000.	0.	0.	0.	18,061.	150,061.	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)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

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 19: THE GOVERNING DOCUMENTS AND

FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 2C:

AUDIT COMMITTEE RESPONSIBILITIES

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

THE TOR PROJECT, INC.

Employer identification number

20-8096820

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.

FORM 990, PART I, LINES 8-22:

PRIOR YEAR SUMMARY INFORMATION

THE ORGANIZATION HAS UPDATED THE PRIOR YEAR SUMMARY INFORMATION TO
REFLECT THE ADOPTION OF THE SFAS 117 PRESENTATION AND THE ACCRUAL
METHOD OF ACCOUNTING.

client copy

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).		
Type or print <small>File by the extended due date for filing the return. See instructions.</small>	Name of Exempt Organization THE TOR PROJECT, INC.	Employer identification number 20-8096820
	Number, street, and room or suite no. If a P.O. box, see instructions. 969 MAIN STREET, NO. 206	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WALPOLE, MA 02081	

Check type of return to be filed (File a separate application for each return):

- Form 990
 Form 990-EZ
 Form 990-T (sec. 401(a) or 408(a) trust)
 Form 1041-A
 Form 5227
 Form 8870
 Form 990-BL
 Form 990-PF
 Form 990-T (trust other than above)
 Form 4720
 Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

MELISSA GILROY, CPA

• The books are in the care of **969 MAIN STREET, SUITE 206 - WALPOLE, MA 02081**

Telephone No. **781-696-4019**

FAX No. _____

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2010.**

5 For calendar year **2009**, or other tax year beginning _____, and ending _____.

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension

**ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION FROM THIRD PARTIES
IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature

Title **CLERK, TREAS., EXEC. DIR.** Date

**IRS e-file Signature Authorization
for an Exempt Organization**

For calendar year 2009, or fiscal year beginning _____, 2009, and ending _____, 20____

2009

▶ **Do not send to the IRS. Keep for your records.**
▶ **See instructions.**

Department of the Treasury
Internal Revenue Service

Name of exempt organization

Employer identification number

THE TOR PROJECT, INC.

20-8096820

Name and title of officer

**ANDREW LEWMAN
CLERK, TREAS, EXEC DIR**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return for which you are filing this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>1041633</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2009 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize **MOODY, FAMIGLIETTI & ANDRONICO, LLP** to enter my PIN **96820**
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **04415348581**
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2009 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**

TAX RETURN FILING INSTRUCTIONS

MASSACHUSETTS FORM PC

FOR THE YEAR ENDING

December 31, 2009

Prepared for	THE TOR PROJECT, INC. 969 Main Street No. 206 Walpole, MA 02081
Prepared by	Moody, Famiglietti & Andronico, LLP 1 Highwood Drive Tewksbury, MA 01876
Amount due or refund	Balance due of \$250
Make check payable to	Commonwealth of Massachusetts
Mail tax return and check (if applicable) to	Non-Profit Organizations/Public Charities Div Office of the Attorney General One Ashburton Place Boston, MA 02108
Return must be mailed on or before	Please mail as soon as possible.
Special Instructions	<p>Form PC must be signed and dated by the authorized individual(s). Also be sure that all the necessary attachments are included with Form PC before filing.</p> <p>Include the organization's Massachusetts Attorney General six-digit account number and "2009 Form PC" on the remittance. Also include the organization's fiscal year end date in this format (12/09).</p>

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

Form PC

Report for the Fiscal Period: 01/01/09 to 12/31/09

Attorney General's Account #: 046444

Federal ID #: 20-8096820

When did the organization first engage in charitable work in Massachusetts? 01/01/07

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

If yes, date of application **OR** date of determination letter: 02/26/07

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: 969 MAIN STREET, NO. 206

City: WALPOLE State: MA ZIP: 02081

Phone Number: 781.424.9877 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

5. Enter your summary of financial data:

Financial Data		Amounts
A.	Contributions, gifts, grants, and similar amounts received	29,973.
B.	Gross support and revenue	1,041,633.
C.	Program services and similar amounts paid out	788,146.
D.	Fundraising expenses	9,145.
E.	Management and general expenses	248,567.
F.	Payments to affiliates	
G.	Total expenses	1,045,858.
H.	Net assets or fund balances at the end of the year	347,476.

6. 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	132,000.		18,061.
2.	NICK MATHEWSON CHIEF ARCHITECT	40	120,000.		8,589.
3.	ROGER DINGLEDINE RESEARCH DIRECTOR	40	120,000.		4,716.
4.	JACOB APPELBAUM DEVELOPER	40	96,000.		809.
5.	MATTHEW EDMAN DEVELOPER	20	14,697.		

- 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.	KARSTEN LOESING	102,937.	METRICS RESEARCHER
2.	FORMLESS, LLC	99,801.	RESEARCHER
3.	MARTIN PECK	32,000.	DEVELOPER
4.	MEREDITH DUNN	18,000.	ACCOUNTING
5.	BRUCE LEIDL	9,000.	DEVELOPER

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

Bank	Address	Phone Number
SOVEREIGN BANK	339 WASHINGTON STREET DEDHAM, MA 02026	781-329-2351
DEDHAM SAVINGS BANK	55 ELM STREET DEDHAM, MA 02026	781-329-6700

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: MELISSA GILROY

Street Address: 969 MAIN STREET, STE 206

City: WALPOLE State: MA ZIP Code: 02081

Phone Number: 781-696-4019

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. <i>(The conditions at both (a) and (b) must be met for your organization to qualify for this exemption.)</i>	<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.

client copy

FORM PC OFFICERS, DIRECTORS, TRUSTEES AND EXECUTIVES STATEMENT 1

NAME

ROGER DINGLEDINE

TITLE

PRESIDENT/RESEARCH DIRECTOR

ADDRESS

969 MAIN ST., STE 206 WALPOLE, MA 02081

NAME

NICK MATHEWSON

TITLE

V.P./CHIEF ARCHITECT

ADDRESS

969 MAIN ST., STE 206 WALPOLE, MA 02081

NAME

ANDREW LEWMAN

TITLE

TREASURER/CLERK/EXEC DIR

ADDRESS

969 MAIN ST., STE 206 WALPOLE, MA 02081

NAME

IAN GOLDBERG

TITLE

DIRECTOR

ADDRESS

969 MAIN ST., STE 206 WALPOLE, MA 02081

client copy

NAME

XIANGHUI MAO

TITLE

DIRECTOR

ADDRESS

969 MAIN ST., STE 206 WALPOLE, MA 02081

NAME

WENDY SELTZER

TITLE

DIRECTOR

ADDRESS

969 MAIN ST., STE 206 WALPOLE, MA 02081

NAME

FRED VON LOHMANN

TITLE

DIRECTOR

ADDRESS

969 MAIN ST., STE 206 WALPOLE, MA 02081

NAME

FRANK RIEGER

TITLE

DIRECTOR

ADDRESS

969 MAIN ST., STE 206 WALPOLE, MA 02081

client copy

FORM PC

PAGE 4 LINE 18

STATEMENT 2

NAME _____ AREA OF RESPONSIBILITY _____
ANDREW LEWMAN RESPONSIBLE FOR CUSTODY OF FUNDS
ADDRESS _____
969 MAIN ST. STE 206 WALPOLE, MA 02081

NAME _____ AREA OF RESPONSIBILITY _____
ANDREW LEWMAN RESPONSIBLE FOR DISTRIBUTION OF FUNDS
ADDRESS _____
969 MAIN ST. STE 206 WALPOLE, MA 02081

NAME _____ AREA OF RESPONSIBILITY _____
ANDREW LEWMAN RESPONSIBLE FOR FUNDRAISING
ADDRESS _____
969 MAIN ST. STE 206 WALPOLE, MA 02081

NAME _____ AREA OF RESPONSIBILITY _____
KAREN REILLY RESPONSIBLE FOR FUNDRAISING
ADDRESS _____
969 MAIN ST. STE 206 WALPOLE, MA 02081

NAME _____ AREA OF RESPONSIBILITY _____
MELISSA GILROY CUSTODY OF FINANCIAL RECORDS
ADDRESS _____
969 MAIN ST. STE 206 WALPOLE, MA 02081

NAME _____ AREA OF RESPONSIBILITY _____
ANDREW LEWMAN CUSTODY OF FINANCIAL RECORDS
ADDRESS _____
969 MAIN ST. STE 206 WALPOLE, MA 02081

NAME _____ AREA OF RESPONSIBILITY _____
ANDREW LEWMAN AUTHORIZED TO SIGN CHECKS
ADDRESS _____
969 MAIN ST. STE 206 WALPOLE, MA 02081

NAME _____ AREA OF RESPONSIBILITY _____
ROGER DINGLEDINE AUTHORIZED TO SIGN CHECKS
ADDRESS _____
969 MAIN ST. STE 206 WALPOLE, MA 02081

client copy

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: _____

Title: CLERK, TREAS., EXEC. DIR.

Name of Preparer: MOODY, FAMIGLIETTI & ANDRONICO, LLP

Address 1 HIGHWOOD DRIVE

City TEWKSBURY State MA ZIP Code 01876

Phone Number (978) 557-5300

client copy

**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.

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"/>

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 969 MAIN ST., STE 206

City WALPOLE

State MA

ZIP Code 02081

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 969 MAIN ST., STE 206

City WALPOLE

State MA

ZIP Code 02081

Name and Title:

Address

City

State

ZIP Code

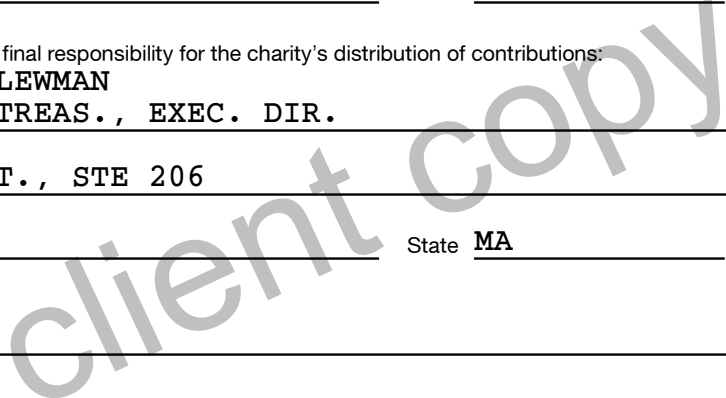
Name and Title:

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.

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"/>

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:

ANDREW LEWMAN

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

Address 969 MAIN ST., STE 206

City WALPOLE

State MA

ZIP Code 02081

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 969 MAIN ST., STE 206

City WALPOLE

State MA

ZIP Code 02081

Name and Title:

Address

City

State

ZIP Code

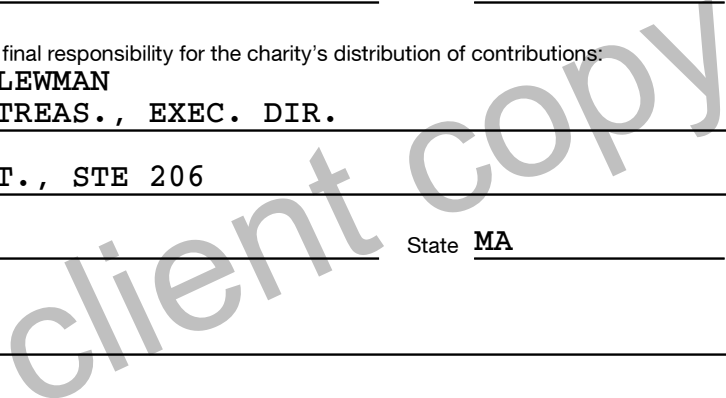
Name and Title:

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: _____

Title: CLERK, TREAS., EXEC. DIR _____

Signature: _____ Date: _____

Print Name: _____

Title: _____

client copy

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)

client copy

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

THE TOR PROJECT, INC.

**FINANCIAL STATEMENTS AND REPORTS
REQUIRED FOR AUDITS IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
AND OMB CIRCULAR A-133**

DECEMBER 31, 2009

client copy

To the Board of Directors
The Tor Project, Inc.
Walpole, Massachusetts

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position of The Tor Project, Inc. (the "Organization" or "Tor") as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Organization is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2010, 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, and 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* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
July 28, 2010

December 31	2009
Assets	
Current Assets:	
Cash and Equivalents	\$ 489,142
Grants and Contracts Receivable	30,000
Assets Whose Use is Limited	6,217
Prepaid Expenses	1,749
Total Assets	<u>\$ 527,108</u>
Liabilities and Net Assets	
Current Liabilities:	
Accounts Payable	\$ 89,830
Accrued Expenses	83,585
Assets Whose Use is Limited	6,217
Total Liabilities	179,632
Unrestricted Net Assets	347,476
Total Liabilities and Net Assets	<u>\$ 527,108</u>

For the Year Ended December 31	2009
Changes in Unrestricted Net Assets:	
Revenues and Other Support:	
Grants and Contribution Revenue	\$ 1,036,521
Donated Services	216,720
Total Revenues and Other Support	1,253,241
Expenses:	
Program Services	1,004,866
Management and General	248,567
Fundraising	9,145
Total Expenses	1,262,578
Operating Loss	(9,337)
Non-Operating Income:	
Interest Income	4,950
Other Income	162
Total Non-Operating Income	5,112
Decrease in Unrestricted Net Assets	(4,225)
Net Assets at Beginning of Year	351,701
Net Assets at End of Year	<u>\$ 347,476</u>

For the Year Ended December 31

2009

	Program Services	Management and General	Fundraising	Total
Salaries and Related Taxes and Benefits	\$ 402,887	\$ 151,135	\$ 1,075	\$ 555,097
Contract Services	197,784	46,731	8,000	252,515
Donated Services	216,720	-	-	216,720
Research and Development Grants	81,979	16,884	-	98,863
Travel and Meals	52,826	15,205	54	68,085
Professional Fees	45,404	1,965	7	47,376
Miscellaneous Expenses	3,693	8,251	4	11,948
Bank Fees and Service Charges	736	3,247	2	3,985
Advertising and Marketing	1,704	1,758	2	3,464
Conferences	-	3,068	-	3,068
Insurance	1,133	323	1	1,457
Total Functional Expenses	\$ 1,004,866	\$ 248,567	\$ 9,145	\$ 1,262,578

client copy

For the Year Ended December 31	2009
Cash Flows from Operating Activities:	
Decrease in Net Assets	\$ (4,225)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities:	
Decrease in Grants and Contracts Receivable	25,000
Increase in Prepaid Expenses	(1,249)
Increase in Accounts Payable	81,185
Increase in Accrued Expenses	65,585
<u>Net Cash Provided by Operating Activities</u>	<u>166,296</u>
 Net Increase in Cash and Equivalents	 <u>166,296</u>
 Cash and Equivalents, Beginning of Year	 <u>322,846</u>
 Cash and Equivalents, End of Year	 <u>\$ 489,142</u>

client copy

1. Significant Accounting Policies:

Reporting Entity: The Tor Project, Inc. ("Tor" or the "Organization") is a non-profit 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.

Accounting Standards Codification: During the year ended December 31, 2009, the Organization adopted the *FASB Accounting Standards Codification* ("ASC"). The ASC became the single official source of authoritative accounting principles generally accepted in the United States of America ("GAAP") recognized by the Financial Accounting Standards Board ("FASB"), other than guidance issued by the Securities and Exchange Commission. The adoption of the ASC did not have a material impact on the Organization's financial statements. However, the adoption of the ASC changed the Organization's references to GAAP in its financial statements.

Method of Accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with GAAP.

Financial Statement Presentation: Tor reports under the provisions of Accounting Standards Codification No. 958-205 [Prior Authoritative Guidance: Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*] (ASC 958-205). In accordance with ASC 958-205, Tor 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.

These classifications are related to the existence or absence of donor imposed restrictions. As of December 31, 2009, Tor had unrestricted net assets representing the portion of net assets of Tor that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of Tor.

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. As of December 31, 2009, the Organization does not have any temporarily restricted net assets.

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, 2009, the Organization does not have any permanently restricted net assets.

Fair Value: Effective January 1, 2008, the Organization adopted ASC No. 820-10 [Prior Authoritative Guidance: SFAS No. 157, *Fair Value Measurements*] (ASC 820-10), for financial assets and financial liabilities. In accordance with ASC No. 820-10-15 [Prior Financial Accounting Standards Board Staff Position No. 157-2, *Effective Date of FASB Statement No. 157*] (ASC 820-10-15), the Organization has adopted ASC 820-10 for nonfinancial assets and nonfinancial liabilities effective January 1, 2009. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements.

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820-10 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The fair value hierarchy is as follows:

Level 1 - Inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs utilize data points that are observable such as quoted prices, interest rates and yield curves.

Level 3 - Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

1. 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. The Organization considers highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Fair value measurements for money market funds are based on quoted market prices in active markets, which are Level 1 inputs.

Grants and Contracts Receivable and Concentration of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of grants and contracts receivable. Accounts receivable are stated at the amount management expects to collect from outstanding balances. There was no allowance for doubtful receivables as of December 31, 2009. Amounts recorded as grants receivable include amounts due from other entities, which relate to reimbursable expenses incurred.

Revenue Recognition: Revenues 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.

Contributions: Tor reports under the provisions of Accounting Standards Codification No. 440, 605, 720, 835, 958 [Prior Authoritative Guidance: Statement of Financial Accounting No. 116, *Accounting for Contributions Received and Contributions Made*] (ASC 440, 605, 720, 835, 958). In accordance with ASC 440, 605, 720, 835, 958, 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 received 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 received. 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 year ended December 31, 2009, the Organization incurred \$2,191 of costs related to advertising.

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 on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function.

During the year ended December 31, 2009, the Organization adopted ASC No. 740-10-25 [Prior Authoritative Guidance: FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement No. 109*] (ASC 740-10-25), which clarifies the accounting for uncertainty in income taxes by prescribing the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. ASC 740-10-25 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting for interim periods and disclosures for uncertain tax positions.

1. Significant Accounting Policies (Continued):

The Organization follows the guidance in ASC 740-10-25, and has determined that it does not have a liability for uncertain tax positions or unrecognized benefits.

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 financial statements in accordance with GAAP. Actual results experienced by Tor may differ from those estimates.

Subsequent Events: In May of 2009, the FASB issued ASC No. 855-10 [Prior Authoritative Guidance: SFAS No. 165, *Subsequent Events*] (ASC 855-10), which establishes general standards of accounting for and disclosure of events that occur after the date of financial position, but before the financial statements are issued or available to be issued. This statement is effective for annual financial periods ending after June 15, 2009, and should be applied prospectively. In accordance with ASC 855-10, management has evaluated subsequent events spanning the period from December 31, 2009 through July 28, 2010, the latter representing the issuance date of these financial statements.

2. Assets Whose Use is Limited:

Tor, along with other sponsors, acts as an agent on behalf 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 statement of financial position as an asset and a corresponding liability of \$6,217 as of December 31, 2009. No fees are charged by Tor for these services.

3. Government Support:

Tor received approximately 87% of its grants and contribution revenues from two federal grants during the year ended December 31, 2009. As of December 31, 2009, there were no grant receivables due from these grants.

4. Donated Services:

Tor receives donated services in various aspects of its operations and programs. The fair value of services is determined by the donor or by management as follows:

Software Development	\$ 145,000
Website Hosting	45,000
Language Translation	<u>26,720</u>
	<u>\$ 216,720</u>

5. Indemnifications:

The Organization's articles of organization provide that the Organization indemnify its officers and directors for certain events or occurrences that happen by reason of the fact that the officer or director is, was, or has agreed to serve as an officer or director of the Organization. The maximum potential amount of future payments the Organization could be required to make under these indemnification agreements is unlimited. The Organization may also enter into other indemnification agreements in the normal course of business. As of December 31, 2009, the Organization had not experienced any losses related to these indemnification obligations, and no claims with respect thereto were outstanding.

6. Subsequent Event:

On March 1, 2010, the Organization entered into a non-cancellable operating lease agreement for office space that expires on December 31, 2010 and requires monthly rental payments of \$500.

For the Year Ended December			2009
Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Award Number	Federal Expenditures
Major Program			
U.S. Department of State Pass-Through from Internews Network International Programs to Support Democracy, Human Rights and Labor	19.345	S-LMAQM-08-GR-618	\$ 632,189
Total Expenditures of Federal Awards			<u>\$ 632,189</u>

client copy

Notes to the Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Tor Project, Inc. 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 financial statements.

To the Board of Directors
The Tor Project, Inc.
Walpole, Massachusetts

Independent Auditor's 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

We have audited the accompanying financial statements of The Tor Project, Inc. (the "Organization") as of and for the year ended December 31, 2009, and have issued our report thereon dated July 28, 2010. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 combination of deficiencies in internal control such that there is a reasonable possibility more than a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected in a timely basis. A significant deficiency in internal control over financial reporting is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness in internal control, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.



The Tor Project, Inc.
Page Two

The Organization's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the Organization's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board of Directors, management and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specifies parties.

Moody, Famiglietti & Andronico, LLP

Moody Famiglietti & Andronico
July 28, 2010

client copy



To the Board of Directors
The Tor Project, Inc.
Walpole, Massachusetts

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Compliance

We have audited the compliance of The Tor Project, Inc. (the "Organization") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. The Organization's major federal program is identified in the summary of the independent auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

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. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questions costs as item 09-2.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Organization's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 09-1.

The Organization's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the Organization's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico
July 28, 2010

Year Ended December 31, 2009

I. Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness identified? Yes No
- Significant deficiencies identified? Yes None Reported

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

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

Identification of major programs:

CFDA Number(s)

19.345

Name of Federal Program or Cluster

U.S. Department of State
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 No

Year Ended December 31, 2009**II. Findings Related To The Financial Statement Audit As Required To Be Reported In Accordance with Government Auditing Standards:**

A. Significant Deficiencies in Internal Control:

No matters reported

B. Compliance Findings:

No matters reported

III. Findings and Questioned Costs for Major Federal Award Program Audit:

A. Significant Deficiencies in Internal Control:

09-1 Financial Reporting

Condition: In the initial months of the year ended December 31, 2009, the accounting records were not designed to provide adequate separation of programmatic costs at a level of detail necessary to provide financial reports required by the award that contained accurate, current, and complete financial information about the federally assisted activities. In addition, the accounting records were not supported by time and attendance records during those months.

Criteria: Under the requirements of the subgrant agreement, the Organization is required to comply with the U.S. Department of State Standard Terms and Conditions for Domestic Awards (the "Terms"). Specifically, the Terms require that the Organization comply with certain requirements and cost principles relative to the financial management system utilized by the recipient of the grant.

Cause: In the initial months of the year ended December 31, 2009, the Organization was not adequately staffed with financial personnel with the level of knowledge necessary to maintain the appropriate accounting records as required under the award.

Effect: In the absence of adequate financial records, the Organization is unable to provide the information needed to substantiate the expenditures as allowable under the federal award. In addition, the time and attendance records that would detail the activities performed under the federal contract are unavailable to support the federally assisted activities.

Recommendation: During 2009, the Organization hired financial personnel who possessed the necessary qualifications to produce the accounting records that were required under the federal award, and therefore since corrective action had already been taken, we have no additional recommendations relative to this deficiency. As of December 31, 2009, we consider the control deficiency to be corrected.

B. Material Weakness:

No matters reported

C. Material Instance of Compliance Findings:

09-2 Timesheet Submission

Condition: In the initial months of the year ended December 31, 2009, the Organization did not require time and attendance records for employees or consultants who were working on federally assisted activities.

Criteria: Section I of OMB Circular A-122, *Cost Principles of Non-Profit Organizations*, requires that salaries and wages and other direct costs funded by federal awards must be supported by source documentation, which would include personnel activity reports and vendor invoices that reflect a proper determination of the actual activity of each employee or contractor.

Cause: In the initial months of the year ended December 31, 2009, the Organization was not adequately staffed with financial personnel with the level of knowledge necessary to maintain the appropriate accounting records as required under the award.

Effect: Allocations based on future activity do not qualify as support for charges to federal awards. The allocation of hours based on future activity violates the requirements of OMB Circular A-122.

Recommendation: During 2009, the Organization hired financial personnel who possessed the necessary qualifications to produce the accounting records that were required under the federal award, and therefore since corrective action had already been taken, we have no additional recommendations relative to this deficiency. As of December 31, 2009, we consider the compliance deficiency to be corrected.

client copy

Year Ended December 31, 2009

Prior Year Findings: N/A

The year ended December 31, 2009, was the first year the Organization was required to have an audit under OMB A-133.

client copy

June 9, 2010



Corrective Action Plan
For the Year Ended December 31, 2009

09-1 and 09-2 Financial Reporting and Timesheet Submission

The Tor Project, Inc. instituted a corrective action plan during the last quarter of fiscal 2009 in order to cure any instances of non-compliance with Circular OMB A-133. The plan included hiring an experienced chief financial officer, developing a cost allocation plan that allocated all expenses incurred directly and indirectly to the contract and / or functional classification in which the costs were incurred, and requiring time reporting for all employees and contractors. As a result, costs allocated to federal contracts as of year-end were supportable with actual expenditures and no federal contract was overbilled. Additionally, the Company strengthened internal controls by adding more stringent monitoring controls over financial reporting. Management had fully implemented the corrective action plan as of December 31, 2009 and therefore has determined, along with the Company's Audit committee, that the company is in compliance of all requirements embodied in Circular OMB A-122 and Circular OMB A-133 as of year-end.

client copy

