

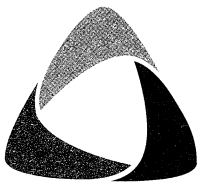


FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

WORLD WIDE WEB FOUNDATION

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December 31, 2014 and 2013

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Independent Auditor's Report

To the Board of Directors of
World Wide Web Foundation:

Report on the Financial Statements

We have audited the accompanying financial statements of World Wide Web Foundation (a Delaware corporation, not for profit) (the Foundation) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Wide Web Foundation as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Alexander, Brown, Fenning & Co., P.C.

Boston, Massachusetts
July 30, 2015

WORLD WIDE WEB FOUNDATION

Statements of Financial Position
December 31, 2014 and 2013

Assets	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Current Assets:						
Cash	\$ -	\$ 912,626	\$ 912,626	\$ 155,143	\$ 689,136	\$ 844,279
Grants and accounts receivable	674,758	1,133,410	1,808,168	1,037,451	630,000	1,667,451
Prepaid expenses	4,618	-	4,618	4,024	-	4,024
Due (to) from	(74,518)	74,518	-	-	-	-
Total assets	\$ 604,858	\$ 2,120,554	\$ 2,725,412	\$ 1,196,618	\$ 1,319,136	\$ 2,515,754
Liabilities and Net Assets						
Current Liabilities:						
Grants payable	\$ 254,565	\$ -	\$ 254,565	\$ 390,362	\$ -	\$ 390,362
Accounts payable and accrued expenses	118,571	-	118,571	287,167	-	287,167
Total liabilities	373,136	-	373,136	677,529	-	677,529
Net Assets:						
Unrestricted	231,722	-	231,722	519,089	-	519,089
Temporarily restricted	-	2,120,554	2,120,554	-	1,319,136	1,319,136
Total net assets	231,722	2,120,554	2,352,276	519,089	1,319,136	1,838,225
Total liabilities and net assets	\$ 604,858	\$ 2,120,554	\$ 2,725,412	\$ 1,196,618	\$ 1,319,136	\$ 2,515,754

The accompanying notes are an integral part of these statements.

WORLD WIDE WEB FOUNDATION

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Operating Support and Revenue:						
Grants and contributions	\$ 1,174,202	\$ 4,524,870	\$ 5,699,072	\$ 785,736	\$ 4,225,011	\$ 5,010,747
Interest and other income	35,670	-	35,670	250	-	250
Net assets released from purpose restriction	3,723,452	(3,723,452)	-	3,421,738	(3,421,738)	-
Total operating support and revenue	4,933,324	801,418	5,734,742	4,207,724	803,273	5,010,997
Operating Expenses:						
Program	4,494,145	-	4,494,145	3,741,295	-	3,741,295
General and administrative	664,160	-	664,160	343,623	-	343,623
Fundraising	62,386	-	62,386	93,279	-	93,279
Total operating expenses	5,220,691	-	5,220,691	4,178,197	-	4,178,197
Changes in net assets from operations	(287,367)	801,418	514,051	29,527	803,273	832,800
Write-off of Grants Receivable	-	-	-	-	(310,219)	(310,219)
Changes in net assets	(287,367)	801,418	514,051	29,527	493,054	522,581
Net Assets:						
Beginning of year	519,089	1,319,136	1,838,225	489,562	826,082	1,315,644
End of year	\$ 231,722	\$ 2,120,554	\$ 2,352,276	\$ 519,089	\$ 1,319,136	\$ 1,838,225

The accompanying notes are an integral part of these statements.

WORLD WIDE WEB FOUNDATIONStatements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 514,051	\$ 522,581
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Write-off of grants receivable	75,505	378,292
Changes in operating assets and liabilities:		
Grants and accounts receivable	(216,222)	(1,443,341)
Prepaid expenses	(594)	2,446
Grants payable	(135,797)	390,362
Accounts payable and accrued expenses	<u>(168,596)</u>	<u>264,450</u>
Net cash provided by operating activities	68,347	114,790
Cash:		
Beginning of year	<u>844,279</u>	<u>729,489</u>
End of year	<u><u>\$ 912,626</u></u>	<u><u>\$ 844,279</u></u>

The accompanying notes are an integral part of these statements.

WORLD WIDE WEB FOUNDATION

Statement of Functional Expenses
For the Year Ended December 31, 2014

	<u>Program</u>	<u>General and Adminis- trative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel and Related:				
Contracted services	\$ 1,716,014	\$ 195,002	\$ 39,000	\$ 1,950,016
Salaries	217,708	24,740	4,948	247,396
Employee benefits	44,342	31,815	-	76,157
Payroll taxes	21,700	2,466	493	24,659
	<u>1,999,764</u>	<u>254,023</u>	<u>44,441</u>	<u>2,298,228</u>
Other Expenses:				
Research	842,134	-	-	842,134
Travel	543,308	40,349	9,475	593,132
Communication and capacity	307,161	96,523	-	403,684
Project costs	384,755	-	-	384,755
Grants awarded	203,740	-	-	203,740
Consulting and professional fees	34,093	107,254	5,478	146,825
Marketing	21,101	63,504	-	84,605
Write-off of grant receivable	75,505	-	-	75,505
Occupancy	34,274	35,598	-	69,872
Office expenses	23,530	37,485	-	61,015
Meetings and conferences	21,956	23,203	2,992	48,151
Insurance	-	6,221	-	6,221
Miscellaneous	2,824	-	-	2,824
	<u>2,494,381</u>	<u>410,137</u>	<u>17,945</u>	<u>2,922,463</u>
Total other expenses	<u>2,494,381</u>	<u>410,137</u>	<u>17,945</u>	<u>2,922,463</u>
Total expenses	<u>\$ 4,494,145</u>	<u>\$ 664,160</u>	<u>\$ 62,386</u>	<u>\$ 5,220,691</u>

The accompanying notes are an integral part of these statements.

WORLD WIDE WEB FOUNDATIONStatement of Functional Expenses
For the Year Ended December 31, 2013

	<u>Program</u>	<u>General and Adminis- trative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel and Related:				
Contracted services	\$ 910,268	\$ -	\$ -	\$ 910,268
Salaries	64,999	180,391	59,454	304,844
Employee benefits	3,480	9,660	3,184	16,324
Payroll taxes	6,420	17,818	5,872	30,110
	<u>985,167</u>	<u>207,869</u>	<u>68,510</u>	<u>1,261,546</u>
Total personnel and related				
	<u>985,167</u>	<u>207,869</u>	<u>68,510</u>	<u>1,261,546</u>
Other Expenses:				
Research	764,010	-	-	764,010
Travel	132,337	30,672	-	163,009
Communication and capacity	172,341	-	-	172,341
Project costs	766,333	-	-	766,333
Grants awarded	668,188	-	-	668,188
Consulting and professional fees	32,070	41,426	-	73,496
Marketing	-	-	4,198	4,198
Write-off of grant receivable	55,631	12,442	-	68,073
Occupancy	33,456	1,620	13,639	48,715
Office expenses	21,790	19,261	-	41,051
Meetings and conferences	109,972	16,258	6,932	133,162
Insurance	-	7,930	-	7,930
Miscellaneous	-	6,145	-	6,145
	<u>2,756,128</u>	<u>135,754</u>	<u>24,769</u>	<u>2,916,651</u>
Total other expenses				
	<u>2,756,128</u>	<u>135,754</u>	<u>24,769</u>	<u>2,916,651</u>
Total expenses	<u>\$ 3,741,295</u>	<u>\$ 343,623</u>	<u>\$ 93,279</u>	<u>\$ 4,178,197</u>

The accompanying notes are an integral part of these statements.

WORLD WIDE WEB FOUNDATION

Notes to Financial Statements
December 31, 2014 and 2013

1. OPERATIONS AND NONPROFIT STATUS

The World Wide Web Foundation's (the Foundation) mission is to advance the open Web as a public good and a basic right. The Foundation's work was seeded by a foundation, with funding for major initiatives from other foundations, corporations, governments, and individuals. The Foundation has started several initiatives including the Web index, voice browsing, mobile entrepreneurship, open government data, the alliance for affordable internet, and Web for agriculture.

The Foundation's vision is that all people should be able to communicate, collaborate, and create across a free, open and increasingly-powerful Web, in order to improve their lives, communities and the world. The Foundation was launched in November 2009 by Web inventor Sir Tim Berners-Lee with the belief that substantial challenges stand between this vision and today's reality.

The Foundation is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation is also exempt from state income taxes. Donors may deduct contributions made to the Foundation within the IRC requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

The Foundation prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification (ASC).

Net Assets

Unrestricted Net Assets:

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Foundation.

Temporarily Restricted Net Assets:

Temporarily restricted net assets represent amounts received by the Foundation which are designated by donors for specific purposes. Temporarily restricted net assets at December 31, 2014 and 2013, are restricted for specific purposes.

Revenue Recognition

The Foundation reports grants and contributions as temporarily restricted support if they are received or unconditionally committed with donor stipulations that limit the use of the donated asset. When a donor's stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Unrestricted grants and contributions are recognized when received or unconditionally committed. Interest income is recognized as earned.

WORLD WIDE WEB FOUNDATION

Notes to Financial Statements
December 31, 2014 and 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Uncollectible Accounts

An allowance for uncollectible grants and accounts receivable are recorded based on management's analysis of specific accounts and collection history. As of December 31, 2014 and 2013, there was no allowance for uncollectible accounts. Management determined that grants receivable totaling \$75,505 and \$378,292 were uncollectible as of December 31, 2014 and 2013, respectively, and accordingly, these amounts were written off. For the year ended December 31, 2013, \$310,219 of the amount written off, which was previously recorded as temporarily restricted net assets, is presented as write-off of grants receivable in the accompanying statement of activities and changes in net assets, with the remainder included in the accompanying statement of functional expenses for the year then ended.

Grants Awarded

Grant awards are in the form of direct cash payments or reimbursement of expenses. During 2014 and 2013, the Foundation provided \$203,740 and \$668,188, respectively, of grant awards. The Foundation expenses grant awards to the Wide Web Foundation of Switzerland (the Swiss Foundation) (see Note 3) when they are unconditionally approved by the Board of Directors. During 2013, the Foundation awarded grants totaling approximately \$630,000 to the Swiss Foundation. As of December 31, 2014 and 2013, there was \$254,565 and \$390,362, respectively, of grants due to the Swiss Foundation. Grants to other organizations consist of sub-grants and are recorded in accordance with the related grant agreement that was awarded to the Foundation.

Expense Allocation

Expenses related directly to a program are distributed to that program, while other expenses are allocated to programs based upon management's estimate of the percentage attributable to each function.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through July 30, 2015, which is the date the financial statements were available to be issued.

Fair Value Measurements

ASC Topic, *Fair Value Measurements*, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This guidance only applies when the fair value measurement of assets and liabilities is required or permitted. The Foundation has determined that none of its financial or nonfinancial assets or liabilities is measured at fair value, therefore, the disclosure requirements do not currently apply.

WORLD WIDE WEB FOUNDATION

Notes to Financial Statements
December 31, 2014 and 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Foundation has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2014 and 2013. The Foundation's information returns are subject to examination by the Federal and state jurisdictions and generally remain open for the most recent three years.

3. RELATED PARTY TRANSACTIONS

The Chief Executive Officer (CEO) of the Foundation is also the CEO of the Swiss Foundation. The Foundation and the Swiss Foundation have separate compensation agreements with the CEO and each organization compensates the CEO separately.

During 2013, the Foundation also awarded grants to the Swiss Foundation either through direct cash grants or by paying operating costs on behalf of the Swiss Foundation (see Note 2).

The Foundation and the Swiss Foundation do not meet the accounting criteria that would require the two foundations' financial statements to be combined.

During 2014, the Board of Directors of the Swiss Foundation voted to cease operations and transfer their assets to the Foundation. As of December 31, 2014 and 2013, the Swiss Foundation's liquid assets were approximately \$13,000 and \$60,000, respectively. During March 2015, the Swiss government approved the liquidation of the Swiss Foundation. The Foundation expects to incur approximately \$90,000 of expenses in 2015 related to the liquidation of the Swiss Foundation.

4. OPERATING LEASE

The Foundation sublet office space under an agreement that expired on March 31, 2013. Base monthly rent under the agreement was approximately \$2,300, plus the Foundation's share of utilities. Rent expense under this agreement for the year ended December 31, 2013, was \$7,416, and is included as occupancy in the accompanying statements of functional expenses.

The Foundation leases space under two lease agreements that expired in January 2015 and March 2015. Subsequent to December 31, 2014, these agreements were extended through January 2016 and March 2016. During 2014, the Foundation entered into a one-year lease agreement for additional space that expired in April 2015 and was subsequently renewed through April 2016. Rent expense under these agreements for the years ended December 31, 2014 and 2013, was approximately \$45,000 and \$28,000, respectively. The Foundation is responsible for their proportionate share of operating costs under these agreements. Future minimum lease payments under these agreements are as follows:

2015	\$ 50,046
2016	\$ 11,456

WORLD WIDE WEB FOUNDATION

Notes to Financial Statements
December 31, 2014 and 2013

5. PENSION PLAN

The Foundation has a defined contribution pension plan (under the IRC Section 401(k)) covering all eligible employees. Employees become eligible to participate upon employment and attaining the age of 21. Under the plan, employees can defer a portion of their salary up to limits established under the IRC. In addition, the Foundation may contribute additional discretionary amounts as determined by the Board of Directors annually. The Foundation contributed \$8,669 and \$8,426 to this plan during the years ended December 31, 2014 and 2013, respectively, which is included in employee benefits in the accompanying statements of functional expenses.

6. CONCENTRATIONS

The Foundation maintains its cash balances in a bank which is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses in such accounts. The Foundation's management believes that the Foundation is not exposed to any significant credit risk related to these accounts. In addition, the Foundation has access to an international bank account which is not insured, which has a balance of \$3,835 as of December 31, 2014.

For the year ended December 31, 2014, grants from three donors represented approximately 46% of total support and revenue. For the year ended December 31, 2013, grants from five donors represented approximately 85% of total support and revenue.

As of December 31, 2014, grants from four donors represented 72% of outstanding grants and accounts receivable. As of December 31, 2013, grants from four donors represented approximately 93% of outstanding grants and accounts receivable.

7. CONDITIONAL GRANTS

During 2013, the Foundation received three conditional grants totaling \$4,055,100. The Foundation earned \$745,492 and \$2,158,471 of revenue related to these grants during 2014 and 2013, respectively, which is included in grants and contributions revenue in the accompanying statements of activities and changes in net assets. The remaining installments of the grants are conditional upon the Foundation meeting certain criteria, benchmarks and milestones in accordance with the grant agreements. The Foundation expects to receive the remaining installments of these grants during 2015.

8. RECLASSIFICATION

Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 presentation.