

OPEN MEDIA FOUNDATION

**Financial Statements
(Audited)**

*For the Years Ended
December 31, 2014 and 2013*

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Independent Auditors' Report

To the Board of Directors of
Open Media Foundation

Introductory Paragraph

We have audited the accompanying financial statements of the Open Media Foundation, a Colorado not-for-profit corporation, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditors' 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 entity'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.

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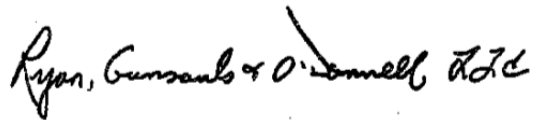
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the Open Media 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.

Report on Summarized Comparative Information

We have previously audited the 2013 financial statements of the Open Media Foundation, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Ryan, Gunzale & O'Donnell, LLC". The signature is written in a cursive, flowing style.

Denver, Colorado

April 29, 2016

OPEN MEDIA FOUNDATION
Statements of Financial Position
December 31, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 336,599	\$ 343,148
Restricted cash	841,316	456,275
Accounts receivable	49,121	90,634
Pledges receivable	9,515	2,130
Prepaid expenses	350	-
Total current assets	<u>1,236,901</u>	<u>892,187</u>
Investments:		
Managed fund - Denver Foundation	20,909	36,708
Permanent endowment - Community First	150,000	150,000
Total investments	<u>170,909</u>	<u>186,708</u>
Total assets	\$ <u>1,407,810</u>	\$ <u>1,078,895</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 18,187	\$ 6,123
Accrued expenses	311,508	94,463
Accrued payroll liabilities	14,654	17,053
Total liabilities	<u>344,349</u>	<u>117,639</u>
Net assets related to operations:		
Unrestricted net assets	802,728	688,067
Temporarily restricted net assets	20,909	36,708
Permanently restricted net assets	150,000	150,000
Total net assets related to operations	<u>973,637</u>	<u>874,775</u>
Cumulative unrealized gain on investments	89,824	86,481
Total net assets	<u>1,063,461</u>	<u>961,256</u>
Total liabilities and net assets	\$ <u>1,407,810</u>	\$ <u>1,078,895</u>

See accompanying independent auditors' report and notes to financial statements.

OPEN MEDIA FOUNDATION
Statements of Activities
For the Year Ended December 31, 2014 (with Summarized Information for the Year Ended December 31, 2013)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2014 Total</u>	<u>2013 (Summarized)</u>
Government:					
Capitalized equipment maintenance fund	\$ 95,000	\$ -	\$ -	\$ 95,000	\$ 78,995
Contributed support:					
In-kind contributions	481,477	-	-	481,477	266,188
Individual contributions	52,864	-	-	52,864	27,558
Foundation grants	16,064	-	-	16,064	15,764
Corporate contributions	1,320	-	-	1,320	1,300
Board contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530</u>
Total governmental and contribution support	<u>646,725</u>	<u>-</u>	<u>-</u>	<u>646,725</u>	<u>390,335</u>
Earned revenue:					
Web and design	471,118	-	-	471,118	500,576
Video and production	386,495	-	-	386,495	387,729
Access	86,679	-	-	86,679	109,997
Education and training	50,216	-	-	50,216	45,610
Other services	28,415	-	-	28,415	32,251
Interest income	<u>11,550</u>	<u>-</u>	<u>-</u>	<u>11,550</u>	<u>2,070</u>
Total earned revenue	<u>1,034,473</u>	<u>-</u>	<u>-</u>	<u>1,034,473</u>	<u>1,078,233</u>
Re-classed from restriction	<u>15,799</u>	<u>(15,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total earned revenue and contributions	<u>1,696,997</u>	<u>(15,799)</u>	<u>-</u>	<u>1,681,198</u>	<u>1,468,568</u>
Expenses:					
Program services	1,461,365	-	-	1,461,365	1,296,186
Fundraising	72,072	-	-	72,072	53,761
General and administrative	<u>48,899</u>	<u>-</u>	<u>-</u>	<u>48,899</u>	<u>56,184</u>
Total expenses	<u>1,582,336</u>	<u>-</u>	<u>-</u>	<u>1,582,336</u>	<u>1,406,131</u>
Change in net assets	114,661	(15,799)	-	98,862	62,437
Net assets, beginning of year	<u>688,067</u>	<u>36,708</u>	<u>150,000</u>	<u>874,775</u>	<u>812,338</u>
Net assets related to operations	802,728	20,909	150,000	973,637	874,775
Cumulative unrealized gain on investments	<u>89,824</u>	<u>-</u>	<u>-</u>	<u>89,824</u>	<u>86,481</u>
Net assets, end of year	\$ <u>892,552</u>	\$ <u>20,909</u>	\$ <u>150,000</u>	\$ <u>1,063,461</u>	\$ <u>961,256</u>

See accompanying independent auditors' report and notes to financial statements.

OPEN MEDIA FOUNDATION
Statements of Functional Expenses
For the Year Ended December 31, 2014 (with Summarized Information for the Year Ended December 31, 2013)

	<u>Program services</u>	<u>General and administration</u>	<u>Fund- raising</u>	<u>2014 Total</u>	<u>2013 (Summarized)</u>
Compensation expenses:					
Salaries and wages	\$ 364,862	\$ 5,947	\$ 22,378	\$ 393,187	\$ 437,908
Officer compensation	42,510	12,701	9,826	65,037	63,799
Payroll taxes	38,364	(83)	1,102	39,383	42,483
Employee benefits	12,978	675	885	14,538	20,750
Total compensation expense	<u>458,714</u>	<u>19,240</u>	<u>34,191</u>	<u>512,145</u>	<u>564,940</u>
Non-compensation expenses:					
In-kind expense	440,514	20,384	20,579	481,477	266,187
Discounts and grants	349,238	-	-	349,238	382,797
Professional services	70,223	3,657	6,959	80,839	51,683
Occupancy	34,601	846	858	36,305	41,303
Bandwidth and internet	35,685	339	17	36,041	28,938
Supplies	24,195	(28)	4,615	28,782	7,508
Travel	13,008	-	-	13,008	7,611
Accounting fees	9,177	641	893	10,711	8,980
Miscellaneous and bad debt	4,959	446	2,432	7,837	11,413
Insurance	4,677	550	275	5,502	5,467
Equipment rental and maintenance	4,985	-	-	4,985	1,047
Telephone	3,598	355	359	4,312	4,705
Dues and subscriptions	2,071	1,374	200	3,645	2,966
Bank and credit card fees	1,976	221	310	2,507	2,391
Printing and copying	1,823	39	191	2,053	1,787
Postage and delivery	1,265	228	123	1,616	692
Staff development	656	607	70	1,333	2,033
Fundraising expenses	-	-	-	-	13,683
Total non-compensation expenses	<u>1,002,651</u>	<u>29,659</u>	<u>37,881</u>	<u>1,070,191</u>	<u>841,191</u>
Total expenses	\$ <u>1,461,365</u>	\$ <u>48,899</u>	\$ <u>72,072</u>	\$ <u>1,582,336</u>	\$ <u>1,406,131</u>

See accompanying independent auditors' report and notes to financial statements.

OPEN MEDIA FOUNDATION
Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 98,862	\$ 62,437
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in unrealized gains	3,343	37,654
Decrease (increase) in operating assets:		
Accounts receivable	41,513	113,718
Pledges receivable	(7,385)	2,075
Prepaid expenses	(350)	-
(Decrease) increase in operating liabilities:		
Accounts payable	12,064	(13,180)
Accrued expenses	217,045	(81,745)
Accrued payroll liabilities	<u>(2,399)</u>	<u>4,628</u>
Net cash provided by operating activities	<u>362,693</u>	<u>125,587</u>
Cash flows from investing activities:		
Net change in investments	<u>15,799</u>	<u>(1,601)</u>
Net cash provided by (used in) investing activities	<u>15,799</u>	<u>(1,601)</u>
Net change in cash and cash equivalents	378,492	123,986
Cash and cash equivalents, beginning of year	799,423	675,437
Restricted cash	<u>(841,316)</u>	<u>(456,275)</u>
Cash and cash equivalents, end of year	\$ <u>336,599</u>	\$ <u>343,148</u>

See accompanying independent auditors' report and notes to financial statements.

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 1: Nature of Operations

The Foundation was incorporated on June 2, 2004 as a Colorado not-for-profit corporation under the name Deproduction, Inc.: The [denverrevolution] Production Group. In 2009, the Foundation changed its name to Open Media Foundation (the Foundation). The Foundation provides communication services, training, and tools to individuals, nonprofits, and governments. The Foundation believes communication drives social values, and wants everyone to have a voice in creating the new media conversation. The Foundation offers professional video production, web development, and branding services, similar to a public relations firm or ad agency, but for nonprofits and governments only. For people who want to do it themselves, the Foundation teaches classes such as studio or field video production or animation and video editing. The Foundations provides high-end equipment, facilities, and web and TV distribution via Denver Open Media, Denver's Public Access TV Station, so people have access to the tools they need to make and spread their own media.

Note 2: Summary of Significant Accounting Policies

This summary of significant accounting policies of the Foundation is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Foundation's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of financial statements.

Basis of Accounting

The Foundation's financial statements are prepared on the accrual basis and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the topic, *Financial Statements of Not-For-Profit Organizations*. Under this topic, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.

Cash and Cash Equivalents

The Foundation considers all unrestricted highly liquid investments amounts retained in the investment accounts that are classified as available-to-spend or with an original maturity of three months or less to be cash equivalents.

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 2: Summary of Significant Accounting Policies, continued

Restricted Cash

Restricted cash includes unearned equipment fund amounts and a board restricted account held by financial institutions. The carrying value of the restricted cash accounts approximates fair value and total \$841,316 and \$456,275 at December 31, 2014 and 2013, respectively.

Accounts Receivable

Accounts receivable consists of receivables for services rendered by earned income programs, primarily web and video production clients. Based on the judgment of the Foundation and past collection histories, no allowances for bad debts were deemed necessary at December 31, 2014 and 2013. The Foundation wrote off bad debts of \$-0- and \$7,869 during the years ended December 31, 2014 and 2013, respectively.

Pledges Receivable

Pledges receivable represent unconditional promises to give and are reported at fair value. Management evaluates payment history and market conditions to estimate allowances for doubtful pledges, no allowances for bad debts were deemed necessary at December 31, 2014 and 2013. As of December 31, 2014 and 2013, pledge receivables totaled \$9,515, and \$2,130, respectively.

Property and Equipment

The Foundation is the exclusive public access provider for the City and County of Denver (the Agency) and receives equipment and maintenance support funds specifically designated for that equipment annually from the Agency to provide the contracted services. This purchased equipment remains the property of the Agency until it extends its useful life or becomes obsolete and the Agency decides to surplus the equipment. At this time, the Foundation has the option to take ownership of the purchased equipment. During the years ended December 31, 2014 and 2013, the Foundation did not take ownership of any equipment.

It is the Foundation's policy to capitalize property and equipment received from the Agency over the Foundation's expected useful lives of the assets. Property and equipment are stated at market value, and depreciation is calculated using the straight-line method. Audio video equipment is depreciated over 5 years and computer and software equipment is depreciated over 2 years. Gains and losses on fixed assets are recognized in the year of disposal. Repairs and maintenance charges, which do not increase the useful lives of the assets, are charged to operations as incurred.

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 2: Summary of Significant Accounting Policies, continued

Revenue and Support

The primary sources of revenue for the Foundation is earned income which is derived from web and design, video and production, and in-kind contributions from government, companies, and individuals. Revenue is recognized when it is earned. The Foundation accounts for contributions in accordance with the recommendations of the topic, *Accounting for Contributions Received and Contributions Made*. In accordance with this topic, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending upon the existence and/or nature of any donor restrictions.

All other restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

No provision for income taxes is provided as the Foundation is exempt under Section 501(c)(3) of the Internal Revenue Code and the Colorado Income Tax Act of 1964. As a charitable organization, only unrelated business income, as defined by Section 509(a)(2) of the Internal Revenue Code, is subject to federal income tax. The Foundation had no unrelated business income tax liability at December 31, 2014 and 2013.

The Foundation has evaluated its tax positions for all open tax years. Currently, the years open for tax authority examination are 2011 through 2013 by the Internal Revenue Service. However, the Foundation is not currently under audit nor has it been contacted by this taxing authority. Based on the evaluation of the Foundation's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the years ended December 31, 2014 and 2013.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Indirect expenses are allocated to program and supporting services on the basis of the function and areas benefited and use of the assets. All other costs can be specifically identified with a particular function and are charged directly to that function.

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 2: Summary of Significant Accounting Policies, continued

Off Balance Sheet Credit Risk

The Foundation maintains its cash balances with financial institutions which at times may exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount was \$250,000 for interest bearing accounts, per depositor, per institution. As of December 31, 2014, the Foundation had funds in excess of FDIC limits of \$480,798. As of December 31, 2013, the Company had no funds in excess of FDIC limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. In preparing financial statements, management is required to make estimates and assumptions that affect the reported period. Actual results could differ from those estimates.

Summarized Financial Information for 2013

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Note 3: Investments

The Foundation entered into an agreement with the Agency to provide Public Access TV services, including internet, audio, and television media services to the local public. Subsequently, the Foundation was approached to exchange one of its three Comcast Cable TV channels for a digital-tier channel. To compensate the Foundation and the Agency, Comcast contributed \$250,000, which was to be invested by the Agency to subsidize the Foundation's Public Access operations. With approval from City Council, the Foundation made arrangements to invest \$225,000 with two fund foundations in the local area as described below, with the aim of providing long-term sustainability for Public Access TV operations. The remaining \$25,000 was used according to contract requirements in 2007 and 2008.

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 3: Investments, continued

Managed Fund – Denver Foundation

The Foundation invested \$125,000 with the Denver Foundation at market rates for a 10-year period with disbursements scheduled from 2008 through 2018. The Foundation agreed upon a disbursement option where the Foundation is allowed to transfer a percentage of the quarterly balance as defined in the agreement for general operations. As of December 31, 2014, the Foundation chose to leave the funds in the investment account until needed. The amount of Denver Foundation funds considered available-to-spend at December 31, 2014 and 2013 were \$142,278 and \$119,050, respectively. These amounts are included in cash and cash equivalents.

The cumulative change in this investment account from inception:

Beginning investment balance	\$ 125,000
Realized gain on investment	14,922
Unrealized gain on investment	36,649
Administration and management fees	<u>(13,384)</u>
Ending investment balance	163,187
Less available to spend balance	<u>(142,278)</u>
Restricted investment balance	<u>\$ 20,909</u>

Permanent Endowment – Community First

The Foundation invested the remaining \$100,000 with the Community First Foundation (Community First), which agreed to match \$.50 for every \$1.00 invested within the first two years of investing. The total invested in the permanent endowment is \$150,000. The Foundation is allowed to use the earnings on the invested amounts to subsidize operations, but the principle and matching contribution amounts are to remain invested in perpetuity with Community First. Community First guarantees a 5% interest rate on the investment for the first 24 months of investment. After 24 months, the amounts invested will accrue interest and earnings at prevailing market rates. As of December 31, 2014 and 2013, permanently restricted net assets totaled \$150,000.

The cumulative change in this investment account from inception is as follows:

Beginning investment balance	\$ 150,000
Investment income	37,517
Realized gain on investment	15,959
Unrealized gain on investment	53,175
Earnings disbursement	(95,852)
Administration and management fees	<u>(8,943)</u>
Ending investment balance	151,856
Less available to spend balance	<u>(1,856)</u>
Restricted investment balance	<u>\$ 150,000</u>

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 3: Investments, continued

Unrealized Gains and Losses

The unrealized gains and losses recognized on the above investments are presented as a non-operating line item on the statement of activities. The Foundation intends to track the fluctuations of these investments directly to net assets as they do not represent the core functions of the Foundation.

Note 4: Fair Values of Financial Instruments

Effective July 1, 2008, the Foundation adopted the topic, *Fair Value Measurements and Disclosures*. This topic defines fair values, establishes a consistent framework for measuring fair value, and expands disclosure requirements.

Under this topic, assets and liabilities are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobserved assumptions reflect the Foundation's own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the use of option pricing models, discounted cash flow models and similar techniques.

Under this topic, the Foundation bases fair values on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon the Foundation's estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future values.

Fair value measurements for assets recorded at fair value on a recurring basis at December 31, 2014 and 2013 are \$170,909 and \$186,708, respectively. The Foundation does not have any Level 2 or Level 3 investments.

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 5: Donor-designated Endowments

The Foundation's permanent endowment consists of one individual fund and earnings and appreciations thereof. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investment, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, including fixed-income securities, equity securities, and alternative investments. The asset mix is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to grow the funds if possible. Therefore, the Foundation expects its endowment asset, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment net asset composition for donor-designated endowment funds as of December 31 is as follows:

	<u>2014</u>	<u>2013</u>
Unrestricted	\$ 144,134	\$ 136,985
Temporarily restricted	20,909	36,708
Permanently restricted	<u>150,000</u>	<u>150,000</u>
Total net endowment assets	\$ <u>315,043</u>	\$ <u>323,693</u>

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 6: Restrictions on Net Assets

At December 31, 2014 and 2013, certain net assets have been classified as permanently or temporarily restricted for the following purposes:

<u>Temporarily Restricted:</u>	<u>2014</u>	<u>2013</u>
Denver Foundation	\$ 36,708	\$ 35,107
Re-classed to unrestricted	<u>(15,799)</u>	<u>1,601</u>
Total	\$ <u>20,909</u>	\$ <u>36,708</u>
 <u>Permanently Restricted:</u>		
Community First – Endowment	\$ 100,000	\$ 100,000
Community First Match – Endowment	<u>50,000</u>	<u>50,000</u>
Total	\$ <u>150,000</u>	\$ <u>150,000</u>

Note 7: In-Kind Contributions and Expense

Donated equipment is recorded at estimated fair value as revenue and expense or as capitalized assets, depending on the nature of the donation. The contribution of services is recognized if the services received either create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

In-kind donations of equipment and services recognized for the years ending December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Professional services	\$ 80,639	\$ 22,515
Advertising	120,000	-
Equipment, leased	259,884	234,102
Equipment, consumable	11,653	9,263
Other	<u>9,301</u>	<u>308</u>
Total	\$ <u>481,477</u>	\$ <u>266,188</u>

OPEN MEDIA FOUNDATION
Notes to Financial Statements
December 31, 2014 and 2013

Note 8: Concentrations

The Foundation has certain concentrations in specific categories; these concentrations represent 10% or more of total revenues. If a significant reduction in the level of these revenue sources occurs, it may have an effect on the Organization's program and activities.

	<u>2015</u>	<u>2014</u>
In-kind donations (29% and 18%)	\$ 481,477	\$ 266,188
Of which is donated equipment	259,884	234,102
Web and design (28% and 34%)	\$ 471,118	\$ 500,576
Of which is development	154,006	263,973
Video and production (23% and 26%)	\$ 386,495	\$ 387,729
Of which is government	225,921	160,636
Of which is other nonprofit groups	150,534	226,518

Note 9: Commitments – Operating Lease

The Foundation leased office space under a month-to-month lease agreement. Rental expense for the years ending December 31, 2014 and 2013 was \$34,176 and \$41,304, respectively

Note 10: Related Party Transactions

As of December 31, 2014 and 2013, \$-0- and \$530 of unconditional contributions were contributed from Board members of the Foundation. These amounts were included in contributions reported in the statements of activities during the years the pledges were received.

Note 11: Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through April 29, 2016, the date at which the financial statements were available to be issued, and determined that no events have occurred subsequent to that date that required disclosure.