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Details: Public Hearing (10/18/2007) on WisconsinEye license agreement

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Senate Special

(Assembly, Senate or Joint)

Committee on ... Oversight of Senate Broadcasting (SSC-OSB)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Gigi Godwin (LRB) (November/2011)

**MEMORANDUM**

TO: Special Committee on
Oversight of Senate Broadcasting

FROM: Robert J. Marchant
Chief Clerk and Director of Operations

DATE: October 18, 2007

RE: WisconsinEye License Agreement

This memorandum outlines the primary ways in which the license agreement between the State of Wisconsin and WisconsinEye affects the operations of the Wisconsin Senate. The memorandum also describes 2 concepts that the committee may wish to consider concerning the legislative protocols contained in the license agreement.

Role of Chief Clerk and Director of Operations

- Chief Clerk is the main point of contact for WisconsinEye concerning its day-to-day operations in the Senate.
- Strong working partnership between Chief Clerk and Chris Long, President of WisconsinEye. Goal has been to facilitate the operation of WisconsinEye as much as possible, with due respect for the decorum, authority, and traditions of the Senate.
- WisconsinEye e-mails schedule of proceedings that will be broadcast or recorded on the Friday before the week during which the proceedings will take place.
- Majority and Minority Leaders, President, and Sergeant-at-Arms are included on notification.

User Agreement Prohibiting Political or Commercial Use

- Any person who seeks to use WisconsinEye's footage must enter into a user agreement with WisconsinEye that prohibits use of the footage for political or commercial purposes.
- Agreement also applies to Senate staff who will be using WisconsinEye's feed to produce Senate educational and communication pieces.
- Agreement also governs how governmental employees should respond to open records requests for copies of WisconsinEye footage in their custody.
- WisconsinEye must sue to enforce user agreement.

- Fair use doctrine may make it difficult to prohibit political and commercial use (except by state employees, of course).
- Agreement is currently being negotiated under direction of Majority Leader.

Commencement of Recording/Broadcasting

- Sergeant-at-Arms must post notice that a proceeding is being recorded.
- WisconsinEye may begin recording up to 5 minutes before the noticed start time of the proceeding. Audio must be background only (sufficient to establish presence but not to communicate content).

Termination of Recording/Broadcasting

- Generally, transmission of signal must terminate 10 seconds after proceedings adjourn or recess. During the 10 seconds, audio must be background only and video must be the general view of the room.
- Standing informal does not result in termination of signal transmission but camera focus must be on podium and audio must be shut off.
- Presiding officer may terminate transmission of signal immediately if a person not associated with the proceeding presents a risk of bodily harm. WisconsinEye and Committee on Senate Organization must agree upon a phrase that signals to WisconsinEye to terminate transmission. As of yet, the phrase has not been determined.

Potential Changes to Legislative Protocols

- Use of a button that would signal to the control booth that the Senate is adjourned or recessed. Currently, control booth must listen carefully to proceedings to determine whether Senate is adjourned or recessed. Cost may be a factor to consider, however, as well as perception of this being a “kill switch.”
- Make oversight committee permanent, with power to vet complaints or suggestions, maintain institutional dialogue with WisconsinEye, and make recommendations to the Committee on Senate Organization.



Robert J. Marchant

Chief Clerk
Director of Operations
Wisconsin State Senate

Senator Pat Kreitlow
Room 10-South, State Capitol
Madison, WI

HAND DELIVERED

October 23, 2007

Dear Senator Kreitlow:

Enclosed, please find copies of financial documents provided to me by WisconsinEye. Specifically, the documents include WisconsinEye's most recent IRS Form 990 return, annualized operating budget, audited financial statements for the fiscal year ending September 30, 2005 and 2006, and audit letter.

Please let me know if you desire any further information.

Sincerely,

Robert J. Marchant

WisconsinEye Annual Operating Expenses as of October 2007

Personnel

Payroll	572000
FICA	42250
Unemployment	5850
Processing	1915

Health Insurance

	47760
Ind Ded contribution	3850
Fam Ded contrib	3300
DirectPay adminfee	750
Flex admin fee	605

401k

Company contribution	17160
Admin fee	1000

Rent

85356 eff 3/1/08

Utilities

Building Elec	6000
Production Elec	24000
Verizon (Treo)	2076
AllTel (mobile)	6000
OneComm (office)	5328

Professional Services

Legal	20000
IT	6000
Bookkeeping	9000
Accounting	5000
Public relations	18000

Other insurance

Professional Liability	20,497
General Liability/Property	3527
Workers Comp	3665
Auto	1442
D&O Liability	1085

General Operating

Data Connection	23400
Cable TV	1404
Car Lease	3300
Mileage Reimbursement	6000
Meals/Travel	3600
Office Supplies	600
Production Supplies	1800
Postage & Delivery	300
Bank Service Fees	1320
Parking	5820

Dues/Subscriptions	2000
Printing/publications	1000
Programming Guide	900
TOTAL	964860

The logo for WIPFLI, consisting of the letters "WIPFLI" in a bold, white, sans-serif font on a black rectangular background.

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To Management and the Board of Directors of
WisconsinEye Public Affairs Network, Inc.
Madison, Wisconsin

We would like to thank everyone at WisconsinEye Public Affairs Network, Inc. ("WisconsinEye") for their assistance during the audit.

In planning and performing our audit of the financial statements of WisconsinEye for the year ended September 30, 2006, we considered WisconsinEye's internal controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and improving operating efficiencies at your organization. This letter summarizes our comments and suggestions regarding those matters. This report does not affect our report dated December 22, 2006, on the financial statements of WisconsinEye.

Current Year Observations

Credit Card Internal Controls

WisconsinEye has one credit card with two authorized users. We tested six monthly credit card statements and noted that receipts were not attached for all of the charges. Credit card charges must be supported by receipts. In addition, a description of the business purpose of the charge should be documented. We recommend that WisconsinEye enhance current policies to require all credit card charges be supported by a receipt and a clear business purpose. We recommend that management add an oversight step into the process that requires the President to review and approve all charges and that the review be documented with a signature on the monthly invoice. We feel that these steps will help to strengthen the controls over credit card charges. In addition, we suggest that the Board consider how to monitor executive use of the credit card.

Bank Reconciliation

Currently, the bank reconciliation is completed by Susan Christopherson, Accounting Consultant, and not approved by management. We recommend that either Chris or a Board of Director member review the bank statement and reconciliation for any unusual items and document their approval by initialing the form. This will significantly improve the system of checks and balances necessary for strong cash controls.

Journal Entries

If a coding error on a transaction in QuickBooks® is found, the original transaction is corrected in QuickBooks® instead of posting a journal entry. To maintain the integrity of the accounting trail, we recommend that these corrections be recorded with a journal entry. The entry should be approved by the President or a Board of Director member.

Conflict of Interest

We noted that WisconsinEye does not have a formal policy regarding employee conflict of interest. In recent years, issues of conflicts have become much more visible and many companies have elected to formalize such a policy. This policy should identify all business relationships and other dealings between WisconsinEye and its officers, directors, and key employees and other such parties with whom WisconsinEye conducts business. We recommend that WisconsinEye adopt a formal policy covering potential conflicts of interest situations. In addition, the IRS Form 990 and annual tax return filed by nonprofit organizations have added a question to the 2005 tax return asking if the organization has a conflict of interest policy.

Capitalization Policy

During our audit, we noted that WisconsinEye has no formal policy for the capitalization of property and equipment purchases. This leaves WisconsinEye open to the possibility that fixed assets will not be appropriately recorded, depreciated, or reported for accounting purposes. We suggest that WisconsinEye implement a written policy requiring all assets costing more than an established amount, such as \$1,000, to be capitalized and depreciated over the assets' useful lives.

Fraud Policy

Recently there has been significant attention given to corporate fraud and dishonesty. Due to the failure of some large organizations, the topic has become a focal point for many within business, accounting, and political circles. The risks associated with fraud have always been present; however, the failure of these businesses has brought it to the forefront. As a result, a number of new rules and regulations have begun to surface to strengthen controls and awareness within organizations.

The most effective way for WisconsinEye to combat fraud begins with strong anti-fraud systems and controls to both prevent as well as detect fraud. The systems and controls that an organization has in place is a focal point for audits. The organization needs to demonstrate an understanding of fraud risk factors affecting their organization, as well as mitigating controls to address those risks. Furthermore, management needs to communicate to the organization's its view on business ethics and how the organization is monitoring anti-fraud programs.

Fraud Policy (Continued)

The ultimate goal of raising awareness is to reduce the occurrence of fraud within organizations. The following items have been identified as a means for organizations to reduce fraud within an organization:

- **Create and maintain a culture of honesty and high ethics**
Management is responsible for setting the tone as it relates to ethics and honesty for employees, members, and vendors. The communication for the ethical culture needs to be established by management and documented in a policy for misconduct and dishonesty. In addition to establishing the policy, the management team and the Board of Directors needs to live out the code of conduct through their actions.
- **Evaluate the risks of fraud and implement risk mitigation**
A fraud risk assessment should be done on an organization-wide basis. The various fraud risk factors should be identified and an adequate response or preventative control put into place to address the threat. In instances where it is not feasible to put a preventative control in place, adequate mitigation controls should be implemented to reduce the potential impact of fraud and ensure adequate insurance is in place to cover any potential losses.
- **Develop an appropriate oversight process**
The success of developing and monitoring an effective fraud program depends on employees at all levels within the organization. Organization-wide fraud awareness should be strived for by creating a "neighborhood watch" type environment. The highest levels of management are ultimately responsible for creating such an environment. The standard should be set whereby anyone suspecting fraud is free to communicate their suspicions without fear of retribution.

Often, fraud is difficult to detect since it sometimes involves collusion and falsification to cover up the activity. However, through the implementation of a combination of prevention, deterrence, and detection measures, the risk of material fraud will be greatly reduced.

Required Policies

The provisions of Sarbanes Oxley primarily impact public companies. However, there are two provisions that are effective for nonprofits. Those provisions require nonprofits to have a document destruction and whistleblower policy. We recommend WisconsinEye adopt these policies.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.

We look forward to working with the WisconsinEye Public Affairs Network, Inc. in the upcoming year. Please contact us if you have any questions or would like assistance implementing any of the above recommendations.

Wipfli LLP

Wipfli LLP

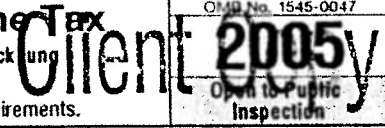
December 22, 2006

Madison, Wisconsin

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



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 2005 calendar year, or tax year beginning **OCT 1, 2005** and ending **SEP 30, 2006**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization WISCONSINEYE PUBLIC AFFAIRS NETWORK, INC.	D Employer identification number 39-1977300
	Please use IRS label or print or type. See Specific Instructions. Number and street (or P.O. box if mail is not delivered to street address) Room/suite PO BOX 949	E Telephone number 608-255-1000
	City or town, state or country, and ZIP + 4 MADISON, WI 53701	F Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶ **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number ▶ **N/A**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: ▶ **WWW.WISEYE.ORG**

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,406,255.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	1,365,379.		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 1,365,379. noncash \$)	1d			1,365,379.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			26,990.
	5 Dividends and interest from securities	5			
	6 a Gross rents	6a			
	b Less: rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7 Other investment income (describe)	7				
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		13,886.	8a		
		12,783.	8b	365,942.	
		1,103.	8c	-365,942.	
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	STMT 1	STMT 2	-364,839.	
Revenue	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ of contributions reported on line 1a)	9a		
		b Less: direct expenses other than fundraising expenses	9b		
		c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
Revenue	10 a Gross sales of inventory, less returns and allowances		10a		
		b Less: cost of goods sold	10b		
		c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
Revenue	11 Other revenue (from Part VII, line 103)	11			
Revenue	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		1,027,530.	
Expenses	13 Program services (from line 44, column (B))	13		378,184.	
	14 Management and general (from line 44, column (C))	14		267,624.	
	15 Fundraising (from line 44, column (D))	15		130,664.	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			776,472.
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		251,058.	
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		850,084.	
Net Assets	20 Other changes in net assets or fund balances (attach explanation)	20		0.	
Net Assets	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		1,101,142.	

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ <u>0</u> , noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc. **	221,816.	0.	109,757.	112,059.
26 Other salaries and wages	29,716.	29,716.		
27 Pension plan contributions				
28 Other employee benefits	19,249.		19,249.	
29 Payroll taxes	3,091.		3,091.	
30 Professional fundraising fees				
31 Accounting fees	12,200.		12,200.	
32 Legal fees				
33 Supplies	1,580.	303.	1,277.	
34 Telephone	2,097.	242.	1,604.	251.
35 Postage and shipping	760.	191.	437.	132.
36 Occupancy	49,606.		49,606.	
37 Equipment rental and maintenance	883.	10.	873.	
38 Printing and publications	542.		542.	
39 Travel	2,611.	424.	296.	1,891.
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	22,239.	22,239.		
43 Other expenses not covered above (itemize):				
a DUES/SUBSCRIPTIONS	2,142.		2,142.	
b INSURANCE	7,442.		7,442.	
c MISCELLANEOUS	5,099.		5,048.	51.
d WEBSITE DEVELOPMENT	120,760.	119,000.		1,760.
e PROFESSIONAL FEES	274,639.	206,059.	54,060.	14,520.
f				
g				
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	776,472.	378,184.	267,624.	130,664.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;

(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

** SEE STATEMENT 3

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>SEE STATEMENT 4</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a EXPENSES RELATED TO MEDIA COVERAGE OF WISCONSIN GOVERNMENT ACTIVITIES AND PUBLIC POLICY FORUMS.	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	378,184.
b	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	378,184.

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	285,936.	46 944,662.
	47 a Accounts receivable	47a	
	b Less: allowance for doubtful accounts	47b	47c
	48 a Pledges receivable	48a	
	b Less: allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV	14,989.	54 0.
	55 a Investments - land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment: basis	57a 206,879.		
b Less: accumulated depreciation STMT 5	57b 50,866.	57c 156,013.	
58 Other assets (describe SECURITY DEPOSIT)	4,965.	58 467.	
59 Total assets (must equal line 74). Add lines 45 through 58	850,084.	59 1,101,142.	
Liabilities	60 Accounts payable and accrued expenses		60
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe)		65
66 Total liabilities. Add lines 60 through 65	0.	66 0.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	850,084.	67 1,101,142.
	68 Temporarily restricted		68
	69 Permanently restricted		69
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	850,084.	73 1,101,142.
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	850,084.	74 1,101,142.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	1,027,530.
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	0.
c	Subtract line b from line a		c	1,027,530.
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	0.
e	Total revenue (Part I, line 12). Add lines c and d		e	1,027,530.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements		a	776,472.
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	0.
c	Subtract line b from line a		c	776,472.
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	0.
e	Total expenses (Part I, line 17). Add lines c and d		e	776,472.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 6		71,573.	5,475.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued) Yes No

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings **11**

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) **SEE STATEMENT 7** 75b

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? 75c

Note. Related organizations include section 509(a)(3) supporting organizations.
If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.

d Does the organization have a written conflict of interest policy? 75d

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
JONATHON HENKES PO BOX 949 MADISON, WI 53701	0.	116,147.	8,885.	0.
JEFF ROBERTS PO BOX 949 MADISON, WI 53701	0.	18,333.	1,403.	0.

Part VI Other Information (See the instructions.) Yes No

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity 76

77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. 77

78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a

b If "Yes," has it filed a tax return on Form 990-T for this year? **N/A** 78b

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement 79

80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? 80a

b If "Yes," enter the name of the organization **N/A** and check whether it is exempt or nonexempt

81 a Enter direct or indirect political expenditures. (See line 81 instructions.) **0.** 81a

b Did the organization file Form 1120-POL for this year? 81b

Part VI Other Information (continued)

Yes No

82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
82b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II.
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
84b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues, assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12
86b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders
87b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3?
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.
89b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year?
89c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.
89d Enter: Amount of tax on line 89c, above, reimbursed by the organization 0.
90 a List the states with which a copy of this return is filed WI
90b Number of employees employed in the pay period that includes March 12, 2005 5
91 a The books are in care of DALE CATTANACH Telephone no. 608-255-1000
Located at P.O. BOX 949, MADISON, WI ZIP + 4 53701
91b 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)?
91c If "Yes," enter the name of the foreign country N/A
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.
92 At any time during the calendar year, did the organization maintain an office outside of the United States?
If "Yes," enter the name of the foreign country N/A
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Table with 3 columns: Question ID, Yes, No. Row 91b: Yes, No. Row 91c: Yes, No.

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	26,990.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-364,839.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		-337,849.	0.
105 Total (add line 104, columns (B), (D), and (E))					-337,849.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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.

Please Sign Here: Signature of officer: **DALE CATTANACH, TREASURER** Date: _____

Paid Preparer's Use Only: Preparer's signature: **JEAN CHRISTENSEN** Date: **02/09/07** Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: **WIPFLI LLP**
PO BOX 8700
MADISON, WI 53708-8700

EIN: _____ Phone no.: **608-274-1980**

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2005

Name of the organization

WISCONSINEYE PUBLIC AFFAIRS NETWORK, INC.

Employer identification number

39 1977300

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶	0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
DIGITAL IMAGES, INC. 2915 COMMERS DRIVE, SUITE 900, EAGAN, MN 55121	DESIGN SERVICES	89,788.
JP CULLEN & SONS, INC. 600 HIGHLAND AVE, MADISON, WI 53792	DESIGN SERVICES	63,641.
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
WISPOLITICS 14 W MIFFLIN STREET, MADISON, WI 53703	WEBSITE SERVICES	119,000.
Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities? SEE STATEMENT 8	X	
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	X	
e Transfer of any part of its income or assets? SEE STATEMENT 9	X	
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?		X
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ▶ Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	70,063.	241,300.	221,700.	111,100.	644,163.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	8,244.	5,050.	8,050.	7,976.	29,320.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	78,307.	246,350.	229,750.	119,076.	673,483.
24 Line 23 minus line 17	78,307.	246,350.	229,750.	119,076.	673,483.
25 Enter 1% of line 23	783.	2,464.	2,298.	1,191.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2004) 1,000. (2003) 0. (2002) 0. (2001) 0.					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 1b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2004) 30,000. (2003) 200,000. (2002) 140,000. (2001) 40,000.					
c Add: Amounts from column (e) for lines: 15 644,163. 16 _____ 17 _____ 20 _____ 21 _____					27c 644,163.
d Add: Line 27a total 1,000. and line 27b total 410,000.					27d 411,000.
e Public support (line 27c total minus line 27d total)					27e 233,163.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f 673,483.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 34.6205%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 4.3535%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.) N/A
 (To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule A Excess Payments from Non-Disqualified Persons
Included on Part IV-A, Line 27b

2005

** Do Not File **

*** Not Open to Public Inspection ***

Payer's Name	2004 Amount	2003 Amount	2002 Amount	2001 Amount
BOLDT COMPANY	5,000.	0.	0.	0.
MADISON COMMUNITY FOUNDATION	5,000.	45,000.	0.	0.
KIKKOMAN FOUNDATION	0.	45,000.	0.	0.
NORTHWESTERN MUTUAL FOUNDATION	0.	45,000.	0.	0.
EVJUE FOUNDATION	0.	20,000.	45,000.	0.
SC JOHNSON FUND	0.	45,000.	0.	0.
MARSHFIELD CLINIC	0.	0.	20,000.	20,000.
WISCONSIN EDUCATION ASSOC	0.	0.	15,000.	0.
COBALT CORPORATION	0.	0.	45,000.	0.
HELEN BAKKE	0.	0.	15,000.	0.
THE JANESVILLE GAZETTE	0.	0.	0.	20,000.
FITZGERALD GROUP	15,000.	0.	0.	0.
WPSC	5,000.	0.	0.	0.
Total to Schedule A, Line 27b	30,000.	200,000.	140,000.	40,000.

Schedule A

Identification of Unusual Grants
Described on Part IV-A, Line 28

2005

** Do Not File **

*** Not Open to Public Inspection ***

Contributor's Name	Description of Grant	Date of Grant	Amount
BADER FOUNDATION	START UP GRANT	09/30/05	100,000.
ARGOSY FOUNDATION	START UP GRANT	09/30/05	488,710.
HERZFELD FOUNDATION	START UP GRANT	09/30/05	100,000.
PHILIP & BETSY HENDRICKSON	START UP GRANT	09/30/05	66,000.
JOYCE FOUNDATION	START UP GRANT	09/30/05	125,000.
BADER FOUNDATION	START UP GRANT	09/30/04	100,000.
BRADLEY FOUNDATION	START UP GRANT	09/30/03	300,000.
BRADLEY FOUNDATION	START UP GRANT	09/30/02	500,000.
EXCEL ENERGY	START UP GRANT	09/30/02	100,000.
EXCEL ENERGY	START UP GRANT	09/30/01	50,000.
KOHLER TRUST	START UP GRANT	09/30/02	500,000.
KOHLER TRUST	START UP GRANT	09/30/01	50,000.
ARGOSY FOUNDATION	START UP GRANT	09/30/03	250,000.
WPSC	START UP GRANT	09/30/03	50,000.
HERZFELD FOUNDATION	START UP GRANT	09/30/03	50,000.
Total Unusual Grants			2,829,710.

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2005

Name of organization

Employer identification number

WISCONSINEYE PUBLIC AFFAIRS NETWORK, INC.

39-1977300

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 organizations 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 Form 990-EZ, that met the 33 1/3% support test under Regulations sections 1.509(a)-3/1.170A-9(e) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests 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 Form 990-EZ, that received from any one contributor, during the year, some 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: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2005)

Name of organization

Employer identification number

WISCONSINEYE PUBLIC AFFAIRS NETWORK, INC.

39-1977300

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ARGOSY FOUNDATION 200 N. JEFFERSON ST. MILWAUKEE, WI 53202	\$ 42,845.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	FITZGERALD GROUP PO BOX 949 MADISON, WI 53701	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	JOYCE FOUNDATION 70 W. MADISON ST. CHICAGO, IL 60602	\$ 125,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	WPSC PO BOX 949 MADISON, WI 53701	\$ 27,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	DAVID MEISSNER 694 LAKE SHORE ROAD GRAFTON, WI 53024	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	DANIEL GELLAT 1408 KING STREET LA CROSSE, WI 54603	\$ 25,034.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

WISCONSINEYE PUBLIC AFFAIRS NETWORK, INC.

39-1977300

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	BROTZ FAMILY FOUNDATION, INC. 3518 LAKESHORE ROAD SHEBOYGAN, WI 53083	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	HENDRICKS FAMILY FOUNDATION, INC. 2870 RIVERSIDE DR BELOIT, WI 53511	\$ 1,010,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	MANITOWOC FAMILY FOUNDATION PO BOX 66 MANITOWOC, WI 54221-0066	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
64	PROGRAM SERVICES											
	BRANDING	VARIES		.000	16	29,063.			29,063.	19,861.		0.
65	BROADCAST EQUIPMENT	VARIES		.000	16	132,360.			132,360.	13,236.		0.
67	OFFICE EQUIPMENT	VARIES		.000	16	2,234.			2,234.	1,096.		0.
68	OFFICE FURNITURE	VARIES		.000	16	9,995.			9,995.	2,665.		0.
69	COMPUTER EQUIPMENT	VARIES		.000	16	33,227.			33,227.	14,008.		0.
	* 990 PAGE 2 TOTAL											
	PROGRAM SERVICES					206,879.		0.	206,879.	50,866.	0.	0.
	* GRAND TOTAL 990 PAGE 2 DEPR					206,879.		0.	206,879.	50,866.	0.	0.

(D) - Asset disposed * ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

FORM 990 **GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES** **STATEMENT** **1**

<u>DESCRIPTION</u>	<u>GROSS SALES PRICE</u>	<u>COST OR OTHER BASIS</u>	<u>EXPENSE OF SALE</u>	<u>NET GAIN OR (LOSS)</u>
SALE OF STOCK	13,886.	12,783.	0.	1,103.
TO FORM 990, PART I, LINE 8	13,886.	12,783.	0.	1,103.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
SALE OF FIXED ASSETS			PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	365,942.	0.	0.	-365,942.
TO FM 990, PART I, LN 8		365,942.	0.	0.	-365,942.

FORM 990 OFFICER COMPENSATION ALLOCATION STATEMENT 3
PART II, LINE 25

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JONATHON HENKES	116,147.	8,885.		125,032.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	4,088.	8,885.		12,973.
C. FUNDRAISING	112,059.			112,059.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JEFF ROBERTS	18,333.	1,403.		19,736.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	18,333.	1,403.		19,736.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
CHRIS LONG	11,573.	885.		12,458.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	11,573.	885.		12,458.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
THOMAS LOFTUS	60,000.	4,590.		64,590.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	60,000.	4,590.		64,590.
C. FUNDRAISING				

TOTAL PROGRAM SERVICES				
TOTAL MANAGEMENT AND GENERAL				109,757.
TOTAL FUNDRAISING				112,059.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				221,816.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 4
PART III

EXPLANATION

THE ORGANIZATION'S EXEMPT PURPOSE IS TO OFFER WISCONSIN CITIZENS COMPLETE AND NON-EDITORIAL PRESENTATIONS OF THE DELIBERATIONS OF THE THREE BRANCHES OF WISCONSIN GOVERNMENT AND PUBLIC POLICY FORUMS.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 5

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BRANDING	29,063.	19,861.	9,202.
BROADCAST EQUIPMENT	132,360.	13,236.	119,124.
OFFICE EQUIPMENT	2,234.	1,096.	1,138.
OFFICE FURNITURE	9,995.	2,665.	7,330.
COMPUTER EQUIPMENT	33,227.	14,008.	19,219.
TOTAL TO FORM 990, PART IV, LN 57	206,879.	50,866.	156,013.

FORM 990 PART V-A - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 6

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARGARET FARROW PO BOX 949 MADISON, WI 53701	BOARD CHAIR 1.00	0.	0.	0.
THOMAS LOFTUS PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	60,000.	4,590.	0.
DALE CATTANACH PO BOX 949 MADISON, WI 53701	TREASURER 1.00	0.	0.	0.
JILL GEISLER PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	0.	0.	0.
DAVID SANKS PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	0.	0.	0.
JEFF SNELL PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	0.	0.	0.
DICK VANDER WOUDE PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	0.	0.	0.
JOHN LAABS PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	0.	0.	0.
JIM RIORDAN PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	0.	0.	0.
KEN HENDRICKS PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	0.	0.	0.
DIANE HENDRICKS PO BOX 949 MADISON, WI 53701	BOARD MEMBER 1.00	0.	0.	0.

WISCONSINEYE PUBLIC AFFAIRS NETWORK, INC.

39-1977300

CHRIS LONG	PRESIDENT			
PO BOX 949	1.00	11,573.	885.	0.
MADISON, WI 53701				

TOTALS INCLUDED ON FORM 990, PART V-A		<u>71,573.</u>	<u>5,475.</u>	<u>0.</u>
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FORM 990 EXPLANATION OF RELATIONSHIP STATEMENT 7
PART V-A, LINE 75B

INDIVIDUAL'S NAME TITLE OR ROLE
DIANE HENDRICKS BOARD MEMBER

INDIVIDUAL'S NAME TITLE OR ROLE
JEN HENDRICKS BOARD MEMBER

EXPLANATION OF RELATIONSHIP
JEN AND DIANE ARE MARRIED.

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2C

STATEMENT 8

JIM RIORDAN, BOARD MEMBER, IS EMPLOYED AT WPS WHICH SUPPLIED STORAGE SPACE AND ADMINISTRATIVE AND IT SUPPORT AT NO CHARGE DURING THE YEAR. JOHN LAABS, BOARD MEMBER, IS EMPLOYED AT WBA WHICH SUPPLIED TEMPORARY OFFICE SPACE AT NO CHARGE DURING THE YEAR.

SCHEDULE A	EXPLANATION OF TRANSACTIONS PART III, LINE 2E	STATEMENT	9
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KEN AND DIANE HENDRICKS DONATED \$1,010,000 TO WISCONSINEYE PUBLIC AFFAIRS NETWORK, INC. DURING THE FISCAL YEAR.

Depreciation and Amortization 990
(Including Information on Listed Property)

OMB No. 1545-0172

2005
Attachment
Sequence No. 67

▶ See separate instructions. ▶ Attach to your tax return.

WISCONSINEYE PUBLIC AFFAIRS NETWORK, INC. FORM 990 PAGE 2 39-1977300

Part I Election To Expense Certain Property Under Section 179. Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	105,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	420,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property					
b	5-year property					
c	7-year property					
d	10-year property					
e	15-year property					
f	20-year property					
g	25-year property		25 yrs.		S/L	
h	Residential rental property	/	27.5 yrs.	MM	S/L	
		/	27.5 yrs.	MM	S/L	
i	Nonresidential real property	/	39 yrs.	MM	S/L	
		/		MM	S/L	

Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	0.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year:					
43 Amortization of costs that began before your 2005 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

WisconsinEye Public Affairs Network, Inc.

Madison, Wisconsin

Financial Statements

Years Ended September 30, 2006 and 2005

WisconsinEye Public Affairs Network, Inc.

Financial Statements

Years Ended September 30, 2006 and 2005

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Independent Auditor's Report

Board of Directors
WisconsinEye Public Affairs Network, Inc.
Madison, Wisconsin

We have audited the accompanying statements of assets and net assets - modified cash basis of WisconsinEye Public Affairs Network, Inc. (a nonprofit organization) as of September 30, 2006 and 2005, and the related statements of revenue and expenses - modified cash basis and cash flows - modified cash basis for the years ended September 30, 2006 and 2005. These financial statements are the responsibility of WisconsinEye Public Affairs Network, Inc.'s management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of WisconsinEye Public Affairs Network, Inc. as of September 30, 2006 and 2005, and the results of its revenue and expenses and its cash flows for the years ended September 30, 2006 and 2005, on the basis of accounting described in Note 1.

Wipfli LLP

Wipfli LLP

December 22, 2006
Madison, Wisconsin

WisconsinEye Public Affairs Network, Inc.

Statements of Assets and Net Assets - Modified Cash Basis

September 30, 2006 and 2005

<i>Assets</i>	2006	2005
Current assets:		
Cash	\$ 944,662	\$ 285,936
Investments	0	14,989
Total current assets	944,662	300,925
Property and equipment, net	156,013	544,194
Other assets	467	4,965
TOTAL ASSETS	\$ 1,101,142	\$ 850,084
<i>Net Assets</i>		
Net assets:		
Unrestricted	\$ 1,101,142	\$ 850,084
TOTAL NET ASSETS	\$ 1,101,142	\$ 850,084

See accompanying notes to financial statements

WisconsinEye Public Affairs Network, Inc.

Statements of Revenue and Expenses - Modified Cash Basis

Years Ended September 30, 2006 and 2005

	2006	2005
Changes in unrestricted net assets:		
Revenue:		
Contributions	\$ 1,365,379	\$ 949,773
Investment income	28,093	10,142
Net assets released from restriction through satisfaction of contribution requirements	0	50,000
Total revenue	1,393,472	1,009,915
Expenses:		
Program services	378,184	302,982
Management and general	267,624	303,939
Fund-raising	130,664	194,392
Total expenses	776,472	801,313
Loss on disposal of property and equipment	365,942	0
Total expenses and losses	1,142,414	801,313
Changes in unrestricted net assets	251,058	208,602
Changes in temporarily restricted net assets:		
Net assets released from restriction	0	(50,000)
Changes in temporarily restricted net assets	0	(50,000)
Changes in net assets	251,058	158,602
Net assets - beginning of year	850,084	691,482
Net assets - end of year	\$ 1,101,142	\$ 850,084

See accompanying notes to financial statements

WisconsinEye Public Affairs Network, Inc.

Statements of Cash Flows - Modified Cash Basis

Years Ended September 30, 2006 and 2005

	2006	2005
Increase (decrease) in cash:		
Cash flows from operating activities:		
Changes in net assets	\$ 251,058	\$ 158,602
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Realized and unrealized loss (gain) on investments	1,103	(1,897)
Loss on disposal of property and equipment	365,942	0
Depreciation	22,239	60,044
Change in operating assets:		
Other assets	4,498	(894)
Net cash provided by operating activities	644,840	215,855
Cash flows from investing activities:		
Proceeds from sale of investments	13,886	0
Purchase of property and equipment	0	(396,715)
Net cash provided by (used in) investing activities	13,886	(396,715)
Changes in cash	658,726	(180,860)
Cash - beginning of year	285,936	466,796
Cash - end of year	\$ 944,662	\$ 285,936

See accompanying notes to financial statements

WisconsinEye Public Affairs Network, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies**

WisconsinEye Public Affairs Network, Inc. ("WisconsinEye") was established as a nonprofit corporation in 1999. WisconsinEye is a public affairs network formed to create new means to serve democracy by making a broad range of issues readily accessible for citizen awareness and discussion. A capital fund-raising campaign led by a bipartisan Board of Directors is at work to promote the service and fund its start-up. WisconsinEye will provide both broadcast and Internet coverage of Wisconsin policy discussions and actions. In addition to interested citizens, the Network will be valuable to others from diverse fields of professional and personal interest. WisconsinEye will provide coverage of the state's community and civic life and culture, beginning with independent, bipartisan, and gavel-to-gavel coverage of state government action in Madison and related public policy forums statewide. WisconsinEye receives its funding from foundation grants and individual and corporate donations. To remain neutral and independent, and in contrast to similar initiatives in other states, WisconsinEye does not receive governmental funding. Ongoing financial support is expected to come from cable revenue, nongovernmental program underwriting, archival sales, grants, and donations.

Basis of Presentation

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of WisconsinEye and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets - Net assets are subject to donor-imposed stipulations that may or may not be met, either by actions of WisconsinEye and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statements of revenue and expenses - modified cash basis as net assets released from restrictions. Currently, WisconsinEye does not have any temporarily restricted net assets.

WisconsinEye Public Affairs Network, Inc.

Notes to Financial Statements

Note 1

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by WisconsinEye. Generally, the donors of these assets permit WisconsinEye to use all or part of the income earned on any related investments for general or specific purposes. Currently, WisconsinEye does not have any permanently restricted net assets.

Modified Cash Basis of Accounting

The accompanying financial statements have been prepared on the modified cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. That basis differs from accounting principles generally accepted in the United States in that pledges receivable are recognized when the funds are received instead of when the pledge becomes unconditional and payments to vendors are recognized when paid instead of when the goods or services are received.

Use of Estimates

The preparation of financial statements in conformity with modified cash receipts and disbursements basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of revenue and expenses - modified cash basis as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

WisconsinEye Public Affairs Network, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Investments

Investments are recorded at fair value as determined in an active market. Realized and unrealized gains and losses are reflected in the statements of revenue and expenses - modified cash basis. The investments at September 30, 2005, consist of common stock.

Property and Equipment

Property and equipment with the useful life of over one year are recorded at cost and depreciated using the straight-line method.

Income Taxes

WisconsinEye is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. WisconsinEye is also exempt from Wisconsin franchise or income tax.

Note 2 Concentration of Credit Risk

WisconsinEye maintains cash balances at one financial institution. The account at this institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. The uninsured bank balance at September 30, 2006, is \$845,706.

Note 3 Property and Equipment

Property and equipment consist of the following as of September 30:

	2006	2005
Branding	\$ 29,063	\$ 29,063
Broadcast equipment	132,360	566,694
Leasehold improvements	0	18,534
Office equipment	2,234	2,234
Office furniture	9,995	9,995
Computer equipment	33,227	37,585
Total property and equipment	206,879	664,105
Accumulated depreciation	(50,866)	(119,911)
<u>Property and equipment, net</u>	<u>\$ 156,013</u>	<u>\$ 544,194</u>

WisconsinEye Public Affairs Network, Inc.

Notes to Financial Statements

Note 3 **Property and Equipment (Continued)**

During the year ended September 30, 2006, WisconsinEye determined that a portion of the broadcast design and equipment was disposed of as it was not going to fit their needs. The loss on the disposal was \$365,942, which is reflected on the statements of revenue and expense - modified cash basis.

Note 4 **Lease Agreement**

WisconsinEye leased office space under a ten-year operating lease, which expires in February 2012. The lease was terminated in December 2005. There were additional costs of \$19,134 incurred to terminate the lease which was paid in December 2006. Currently, WisconsinEye is operating under a month-to-month lease. Rent expense was \$43,945 and \$70,548 for the years ended September 30, 2006 and 2005, respectively.

Note 5 **Capital Campaign**

WisconsinEye has a capital campaign to raise \$6 million to provide technology infrastructure and installation, network center construction, and operating funds to cover the first two years of operations. Under the modified cash basis of accounting, pledges receivable are recorded when the cash is received. WisconsinEye has received approximately \$170,000 of unconditional pledges receivable that are not reflected in these financial statements.

Note 6 **Contractual Agreement**

In July 2005, WisconsinEye entered into licensing agreements with the state of Wisconsin. The agreements, approved by the State Senate and State Assembly, award exclusive broadcast rights to WisconsinEye for a period of seven years. As required under those agreements, final approvals to install broadcast infrastructure in the Capitol were received from the State Legislature, the State Building Commission, and the State Capitol and Executive Residence Board (SCERB) in November 2006. Under the six-month contractual timeline, WisconsinEye intends to begin broadcasting legislative coverage by May 2007. The agreements provide that all equipment installed on state property with the exception of camera equipment becomes the property of the state of Wisconsin.

WisconsinEye Public Affairs Network, Inc.

Notes to Financial Statements

Note 7 Related Party Transactions

A contribution of \$1,000,000 was received from an entity related to two Board of Director members during the year ended September 30, 2006. The contribution represented approximately 73% of total contributions for the year ended September 30, 2006.

A contribution of \$488,710 was received from an entity related to one member of the Board of Directors during the year ended September 30, 2005. The contribution represented approximately 51% of total contributions for the year ended September 30, 2005.

Note 8 Contingency

A vendor of WisconsinEye has asserted a claim of \$25,240 for services performed. Outside counsel for the company has advised that at this stage in the proceedings, he cannot offer an opinion as to the probable outcome. WisconsinEye believes the vendor is not entitled to the claim and intends to vigorously defend its position. Under the modified cash basis of accounting, expenses are recorded when paid. No amounts were paid in relation to this contingency for the years ended September 30, 2006 and 2005.