

WCIJ Inc.

Financial Statements

*For the years ended December 31, 2013 (Unaudited)
and 2012 (Audited)*

Contents

Independent Accountants' Review Report.....	3
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-8
Schedules of Functional Expenses	9



JANNSEN + COMPANY

CPA & Accounting Services
Information Technology
Wealth Management
Human Resources
Payroll Specialists

Independent Accountants' Review Report

Board of Directors
WCIJ Inc.
Madison, Wisconsin

We have reviewed the accompanying statement of financial position of WCIJ Inc. (a nonprofit organization) as of December 31, 2013, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2013 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements for the year ended December 31, 2012, were audited by us, and we expressed an unqualified opinion on them in our report dated October 31, 2013, but we have not performed any auditing procedures since that date.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Jannsen + Company, S.C.

Certified Public Accountants
September 29, 2014

WCIJ Inc.
 Statements of Financial Position
 December 31, 2013 (Unaudited) and 2012 (Audited)

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets:		
Cash	\$ 149,402	\$ 122,759
Promises to give	<u>75,000</u>	<u>175,000</u>
Total Current Assets	224,402	297,759
Property and Equipment:		
Furniture and equipment	10,342	10,342
Less accumulated depreciation	<u>5,710</u>	<u>3,636</u>
	4,632	6,706
	<u>229,034</u>	<u>304,465</u>
	\$	\$
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 339	\$ 135
Accrued payroll liabilities	<u>7,111</u>	<u>6,706</u>
Total Current Liabilities	7,450	6,841
Net Assets:		
Unrestricted	146,584	122,624
Temporarily restricted	<u>75,000</u>	<u>175,000</u>
	221,584	297,624
	<u>229,034</u>	<u>304,465</u>
	\$	\$

See Independent Accountants' Review Report and notes to financial statements.

WCIJ Inc.
 Statements of Activities
 For the years ended December 31, 2013 (Unaudited) and 2012 (Audited)

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets:		
Support and Revenue:		
Grants	\$ 170,000	275,000
Contributions	19,645	8,635
In-kind contributions	40,370	62,050
Event and sponsorship	6,270	5,101
Program service fees	14,633	27,649
Other income	290	5,231
	<u>251,208</u>	<u>383,666</u>
Expenses:		
Investigative reporting	283,344	289,874
Management and general	60,286	47,959
Fundraising	58,618	46,556
	<u>402,248</u>	<u>384,389</u>
Net assets released from restrictions	<u>175,000</u>	<u>105,000</u>
Change in unrestricted net assets	23,960	104,277
Temporarily Restricted Net Assets:		
Contributions	75,000	175,000
Net assets released from restrictions	<u>(175,000)</u>	<u>(105,000)</u>
Change in temporarily restricted net assets	<u>(100,000)</u>	<u>70,000</u>
Change in net assets	(76,040)	174,277
Net assets - beginning of year	<u>297,624</u>	<u>123,347</u>
Net assets - end of year	<u>\$ 221,584</u>	<u>\$ 297,624</u>

See Independent Accountants' Review Report and notes to financial statements.

WCIJ Inc.
 Statements of Cash Flows
 For the years ended December 31, 2013 (Unaudited) and 2012 (Audited)

	<u>2013</u>	<u>2012</u>
Cash Flows Provided (Used) By:		
Operating activities:		
Change in net assets	\$ (76,040)	\$ 174,277
Non-cash items included in income:		
Depreciation	2,074	1,743
Decrease (Increase) in assets:		
Promises to give	100,000	(70,000)
Increase (Decrease) in liabilities:		
Accounts payable	204	(51,506)
Accrued payroll liabilities	405	(381)
Net cash provided by operating activities	<u>26,643</u>	<u>54,133</u>
Investing activities:		
Additions to property and equipment	<u>-</u>	<u>(2,450)</u>
Net cash used by investing activities	-	(2,450)
Increase in Cash	26,643	51,683
Cash:		
Beginning of year	<u>122,759</u>	<u>71,076</u>
End of year	<u>\$ 149,402</u>	<u>\$ 122,759</u>

See Independent Accountants' Review Report and notes to financial statements.

A. Summary of Significant Accounting Policies

Nature of Business - The nonpartisan, nonprofit Wisconsin Center for Investigative Journalism (Center) is increasing the quality and quantity of investigative reporting in Wisconsin, while training current and future generations of investigative journalists. Its work fosters an informed citizenry and strengthens democracy. WCIJ's guiding values are: Protect the vulnerable. Expose wrongdoing. Seek solutions. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation - The Center is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets - Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily Restricted Net Assets - Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions. Temporarily restricted net assets at December 31, 2013 and 2012 are restricted for subsequent periods.

Permanently Restricted Net Assets - Net assets that have been restricted by donors to be maintained by the Center in perpetuity.

Cash - Cash includes cash on hand and demand deposits held at bank. During the course of a normal business cycle, the Company at times, maintains cash balances in excess of the insured limits. There were no balances in excess of the insured limits at December 31, 2013 and 2012.

Promises to Give - Unconditional promises to give are recognized as support in the period the promises are received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Promises to give receivable in less than one year are recorded at their net realizable value.

The Center considers all promises to give to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If promises to give become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment - Property and equipment in excess of \$1,000 are capitalized. Purchases of property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Donated Services - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. Volunteers also provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria are not met.

Support Recognition - Support restricted by the grantor, donor or other outside party is reported as increases in unrestricted net assets if the restriction expires in the year in which the support is recognized. All other restricted support is reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

A. Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Income Tax Status - The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Center's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, The Center is no longer subject to such examination for tax years before 2010.

Subsequent Events - Management has evaluated subsequent events through September 29, 2014, the date the financial statements were available to be issued.

B. Donated Services and Facilities

The Center received donated services used for program and supporting activities. During 2013 and 2012 the following donated services have been recorded in the statement of activities:

	<u>Investigative Journalism</u>	<u>Management and General</u>	<u>Fundraising</u>
2013 (Unaudited)			
Professional services	\$ 29,925	\$ 3,325	\$ -
Legal services	4,158	462	-
Marketing services	<u>-</u>	<u>1,250</u>	<u>1,250</u>
Total expenses	<u>\$ 34,083</u>	<u>\$ 5,037</u>	<u>\$ 1,250</u>
2012 (Audited)			
Professional services	\$ 29,925	\$ 3,325	\$ -
Legal services	<u>25,920</u>	<u>2,880</u>	<u>-</u>
Total expenses	<u>\$ 55,845</u>	<u>\$ 6,205</u>	<u>\$ -</u>

The Center received the use of donated facilities from the University of Wisconsin School of Journalism. The value of the donated facilities during 2013 and 2012 is not material and has not been recorded in the statement of activities.

WCIJ Inc.

Schedules of Functional Expenses

For the years ended December 31, 2013 (Unaudited) and 2012 (Audited)

2013	Investigative Journalism	Management and General	Fundraising	Total
Personnel	\$ 204,870	\$ 36,822	\$ 40,923	\$ 282,615
Payroll taxes	17,668	3,168	3,534	24,370
Occupancy	1,394	250	279	1,923
Travel and meetings	9,677	1,735	1,935	13,347
Professional services	34,083	13,612	1,250	48,945
Depreciation	1,504	270	301	2,075
Office expenses	5,742	1,030	1,148	7,920
Marketing	-	1,892	7,567	9,459
Insurance	5,480	983	1,096	7,559
Information technology	2,719	488	544	3,751
Miscellaneous	207	36	41	284
Total expenses	\$ <u>283,344</u>	\$ <u>60,286</u>	\$ <u>58,618</u>	\$ <u>402,248</u>
2012	Investigative Journalism	Management and General	Fundraising	Total
Personnel	\$ 184,115	\$ 30,055	\$ 32,135	\$ 246,305
Payroll taxes	16,090	2,627	2,808	21,525
Occupancy	1,510	247	264	2,021
Travel and meetings	12,877	1,953	2,088	16,918
Professional services	55,845	8,707	-	64,552
Depreciation	1,303	213	227	1,743
Office expenses	4,858	1,492	780	7,130
Marketing	-	1,385	5,550	6,935
Insurance	6,002	980	1,047	8,029
Information technology	7,024	259	1,613	8,896
Miscellaneous	250	41	44	335
Total expenses	\$ <u>289,874</u>	\$ <u>47,959</u>	\$ <u>46,556</u>	\$ <u>384,389</u>

See Independent Accountants' Review Report and notes to financial statements.