

PACIFICA FOUNDATION
FOR THE YEAR ENDED SEPTEMBER 30, 2003

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pacifica Foundation
Berkeley, California

We have audited the accompanying statement of financial position of the Pacifica Foundation (a nonprofit organization) at September 30, 2003, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on my audit.

We conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides a reasonable basis for my opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pacifica Foundation at September 30, 2003 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The combining Statements of Financial Position, Activities, Other Revenue and Functional Expenses (By Division) on pages 19 through 26 are not a required part of the basic financial statements of Pacifica Foundation but are supplementary information. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of allocations and presentations of the supplementary information. However, we did not audit the information and express no opinion on it.



Ross Wisdom CPA, PLLC
Certified Public Accountant

New York, New York
March 12, 2004

PACIFICA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2003

CURRENT ASSETS	
Cash in bank	\$ 1,341,609
Investments (note 2)	9,430
Pledges and other receivables (note 24)	415,677
Prepaid expenses	59,180
Inventory	160,701
TOTAL CURRENT ASSETS	<u>1,986,597</u>
PROPERTY AND EQUIPMENT	
Land	632,428
Building and improvements	2,881,404
Equipment (note 9)	7,122,523
Leasehold improvements	723,205
Furnitures and fixtures	307,361
	<u>11,666,921</u>
Less: Accumulated depreciation	(7,838,658)
PROPERTY AND EQUIPMENT, NET	<u>3,828,263</u>
OTHER ASSETS	
Other assets including deposits	63,772
Program endowment (note 2)	413,184
TOTAL OTHER ASSETS	<u>476,956</u>
TOTAL ASSETS	<u>\$ 6,291,816</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2003

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 1,754,283
Deferred income (note 11)	83,271
Mortgage payable-current portion	76,167
Deposits payable & other liabilities	<u>7,079</u>
TOTAL CURRENT LIABILITIES	1,920,800
LONG-TERM DEBT, NET OF CURRENT MATURITIES	
Mortgage payable, net (note 4)	<u>86,750</u>
TOTAL LIABILITIES	<u>2,007,550</u>
NET ASSETS	
Unrestricted	3,903,211
Temporarily restricted (note 5)	15,000
Permanently restricted (note 13)	<u>366,055</u>
TOTAL NET ASSETS	<u>4,284,266</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,291,816</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

UNRESTRICTED REVENUE & SUPPORT	
Listener support / Donations	\$ 13,031,634
Grants (note 5)	1,696,424
Community events	490,197
SCA income (note 7)	195,000
Other revenue	374,376
Investment income (note 2)	50,153
TOTAL UNRESTRICTED REVENUE	<u>15,837,784</u>
EXPENSES	
Program services	7,145,907
Management & general	4,324,048
Fundraising	2,860,106
Community events	164,784
TOTAL EXPENSES	<u>14,494,845</u>
CHANGE IN UNRESTRICTED NET ASSETS	1,327,939
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	15,000
CHANGE IN RESTRICTED NET ASSETS	0
NET ASSETS-BEGINNING OF YEAR (note 22)	2,941,327
NET ASSETS-END OF YEAR	<u>\$ 4,284,266</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL FUNCTIONAL EXPENSES
Salaries	\$ 2,612,587	\$ 1,778,679	\$ 822,771	\$ 5,214,037
Payroll taxes	236,334	160,871	75,605	472,810
Employee benefits	383,418	253,346	115,628	752,392
Outside services	247,798	239,730	10,630	498,158
Acquisition news department	4,957			4,957
ADP payroll service	12,005	8,404	3,601	24,010
Advertising & promotion	3,897			3,897
Associations & periodicals	10,902	6,868	861	18,631
Audit and accounting fees		58,000		58,000
Bank charges		28,643	254,287	282,930
CAC training expenses	36,321	550		36,871
Computer maintenance	40,261	74,701	18,702	133,664
Conferences & training	70,202	4,877		75,079
Consulting		4,340		4,340
Depreciation & amortization	397,556	203,417	39,756	640,729
Development expenses	2,320			2,320
Direct mail & telemarketing			244,299	244,299
Employee relations	1,194			1,194
Equipment rental	27,338	55,619	12,035	94,992
Fines & penalty		2,808		2,808
Insurance	154,470	30,092	16,047	200,609
Interest		12,613		12,613
Legal and professional fees		484,489		484,489
Major gifts expense			6,455	6,455
Moving expenses		49,817		49,817
National board expenses		161,918		161,918
News service	107,196	1,161		108,357
Non-operating grant expenses	4,506			4,506
Office expenses	49,628	51,485	20,346	121,459
Other administrative	78	27,705		27,783
Other development			30,106	30,106
Other programming	593,030			593,030
Other station and SCA other expen	6,296			6,296
Postage & shipping	31,767	32,257	10,636	74,660
Premiums/shipping & marathons		11,732	926,767	938,499
Printing & publications	86,332	3,963	12,705	103,000
Programming services	623,550			623,550
Rent	441,543	176,975	77,145	695,663
Repairs & maintenance-non techni	75,083	66,133	9,844	151,060
Repairs & maintenance-technical	124,371	1,877		126,248
Satellite interconnect	107,417			107,417
Search cost	6,574	772		7,346
Subscriptions services	107,937		44,263	152,200
Tapes & supplies	63,276	1,209		64,485
Taxes (UBT & Property)		51,914		51,914
Telephone	200,191	133,178	68,853	402,222
Travel	45,127	88,127	17,646	150,900
Utilities	230,446	55,778	21,117	307,341
TOTAL	\$ 7,145,907	\$ 4,324,048	\$ 2,860,106	\$ 14,330,061

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 1,342,939
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	640,726
Investments	(9,287)
Change in assets and liabilities	
Increase in accounts receivable	(178,540)
Decrease in prepaid expenses	35,321
Increase in inventory	(83,143)
Decrease in other assets	8,011
Decrease in accounts payable and accrued expenses	(1,217,856)
Decrease in deposits payable/other liabilities	(24,621)
Increase in deferred income	60,361
Prior period adjustments	545,612
NET CASH PROVIDED BY OPERATING ACTIVITIES:	<u>1,119,523</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of building and improvements	(186,178)
Purchase of property and equipment	(379,886)
Sale (purchase) of investments (net)	8,499
Increase in endowment funds	(77,844)
NET CASH PROVIDED BY INVESTING ACTIVITIES:	<u>(635,409)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on mortgage	(74,166)
NET CASH USED BY FINANCING ACTIVITIES:	<u>(74,166)</u>
NET INCREASE IN CASH	409,948
CASH AT BEGINNING OF YEAR	<u>931,661</u>
CASH AT END OF YEAR	<u>\$ 1,341,609</u>

The accompanying notes are an integral part of these financial statements

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003**

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 1-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Operations

Pacifica Foundation was organized in 1949 and currently operates, on a not-for-profit basis, five FM radio stations and maintains a program tape library which is used to sell and rent taped programs.

The financial statements include the operations of the following divisions:

Radio Station-KPFA-Berkeley, California
Radio Station-KPFK-Los Angeles, California
Radio Station-KPFT-Houston, Texas
Radio Station-WBAI-New York, New York
Radio Station-WPFW-Washington, D.C.
Pacifica Foundation-P.R.A. Pacifica Radio Archives
Pacifica Foundation-N.O. National Office

All significant inter-division accounts have been eliminated.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 1-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. As of September 30, 2003 there were no unconditional promises to give in subsequent years, other than the Lutz Charitable Remainder Trust (see note 15)

Income Recognition from Community Events

Funds received in advance from community events are shown as deferred income when received. These amounts are recorded as income when the funds are disbursed upon the completion of the community event in order to more closely match revenue with the related expenditure.

Income Taxes

The Foundation has qualified as a tax-exempt organization under 501(C)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes, other than taxes on unrelated business taxable income (UBTI). During the fiscal year ended September 30, 2003, the Foundation incurred Federal and California income taxes of \$10,400 on UBTI from commercial leases.

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.

Property and Equipment

Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over 30yrs for Buildings, 10yrs for Furniture and Fixtures, 20yrs for Technical Equipment, and 5yrs for Computer and Office Equipment. The Organization's capitalization policy is to capitalize and depreciate assets over \$600.

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 1-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible Assets

The foundation owns the broadcasting licenses of all five stations of which four licenses were acquired at no cost to the Foundation.

The cost of the fifth broadcasting license (WPFW) was being amortized on a straight-line method over 20 years from date of acquisition (1977). That license was fully amortized as of September 30, 1997 and, as such, no amortization was charged to operations in the year ended September 30, 2003. (Radio station-WPFW).

Donated Services, Materials and Facilities

In-kind contributions of services, materials and facilities represent individually provided professional services. These services typically consist of legal, accounting, advertising, or other professional contract services. These contributions have been valued at the fair market value of the services to the general public.

NOTE 2-INVESTMENTS

The Organization's securities investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the year reported on the statement of activities as unrealized gains or (losses) \$43,179. Unrealized gains (losses) since acquisition totaled \$15,276.

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 2-INVESTMENTS (continued)

Investments, stated at fair market value as of September 30, 2003 consist of the following:

	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
Money Market (Brokerage accounts)	\$ 3,274	\$ 3,274	0
U. S. Government Securities	75,000	75,625	625
Corporate Securities	329,064	343,715	14,651
	<u>\$ 407,338</u>	<u>\$ 422,614</u>	<u>\$ 15,276</u>
Investments	\$ 9,430	\$ 9,430	0
Endowment account	397,908	413,184	15,276
	<u>\$ 407,338</u>	<u>\$ 422,614</u>	<u>\$ 15,276</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended September 30, 2003.

	<u>UNRESTRICTED</u>
Realized gains (losses)	\$ (13,542)
Interest & dividends	20,516
Unrealized gains and (losses)	43,179
Net investment income (losses)	<u>\$ 50,153</u>

NOTE 3-RESTRICTED FUNDS

In accordance with the provisions of each grant, the funds received are restricted in use and must be used for their intended purposes. In general, the restrictions are that the funds be used for the operation of the radio stations but also contain specific restrictions such as salaries, consulting fees for special events and other similar expenditures. All other revenues are considered to be available for unrestricted use except for various endowments specifically restricted by the donor. (See Notes 5 & 13)

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 4-LOANS PAYABLE AND LONG-TERM DEBT

	<u>Current</u>	<u>September 30,2003</u>	<u>Long-Term</u>
Mortgage Payable-Bank	\$ 76,167		\$ 86,750

KPFA-FM

A 15-year real estate loan secured by land, Building and equipment (except for equipment & fixtures funded by an NTIA Grant). The terms of the loan call for monthly repayments of principal on a fixed schedule and monthly payments of interest at the bank's prime rate plus 1% . The interest rate at September 30, 2003 was 5.00%.

Maturities by year of long-term debt, KPFA mortgage payable: September 30, 2004, \$76,167; and thereafter, \$86,750.

NOTE 5-GRANT REVENUE

Grant Revenue was recognized from the following sources:

	<u>TOTAL</u>	<u>Corporation for Public Broadcasting</u>	<u>Charitable Foundations and Other</u>
KPFA	\$ 399,146	\$ 214,816	\$ 184,330
KPFK	309,149	187,168	121,981
WBAI	577,797	383,236	194,561
KPFT	108,407	108,407	0
WPFW	263,677	245,727	17,950
National Office	17,500	0	17,500
PRA	20,748	0	20,748
Total Grants	<u>\$ 1,696,424</u>	<u>\$ 1,139,354</u>	<u>\$ 557,070</u>

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 5-GRANT REVENUE (continued)

Federal funding from the Corporation for Public Broadcasting has been budgeted through September 30, 2004.

Grant revenue is received for program production, capital equipment acquisition and station operations.

Grant revenue-PRA includes an accrued grant from the National Endowments for the Arts (NEA) of \$15,000 for the period of July 1, 2003 to June 30, 2004 to support initial work to preserve arts-related recordings in the Pacifica Radio Archives and is reported in the Statement of Activities-Temporary Restricted Funds.

NOTE 6-LEASE COMMITMENTS, OFFICES AND FACILITIES

Studio Rent

The Foundation leases offices and operating facilities under operating leases providing for minimum future rentals at WBAI-FM, WPFW-FM and KPFT-FM. Generally, the leases provide that insurance, maintenance and taxes are to be paid by the lessee.

Equipment Rental (Towers)

NEW YORK-WBAI-FM

WBAI is currently obligated under a radio tower rental agreement entered into in January 1992 for 14 years at a monthly rental subject to annual cost of consumer price index adjustments.

WASHINGTON-WPFW-FM

WPFW is currently obligated under a radio tower rental agreement entered into in January 1, 1988 at a monthly rental subject to annual cost of consumer price index adjustments.

HOUSTON-KPFT-FM

KPFT-FM is currently obligated under a radio tower rental agreement entered into on February 1, 1997, for 2 years. The lease contains four individual 2-year options to renew under similar terms.

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 6-LEASE COMMITMENTS, OFFICES AND FACILITIES (continued)

The first option to extend automatically became effective on February 1, 1999 for the period February 1, 1999 to February 1, 2001, at a monthly rental of \$2,100.

The future minimum rental payments under leases with remaining non-cancelable terms in excess of one year are:

STUDIO & TOWER RENT

Year Ended	<u>TOTAL</u>	<u>Studio Rent</u>	<u>Tower Rent</u>
9/30/04	\$ 386,244	\$ 235,284	\$ 150,960
9/30/05	307,595	244,695	62,900
9/30/06-thereafter	1,875,198	1,875,198	
	<u>\$ 2,569,037</u>	<u>\$ 2,355,177</u>	<u>\$ 213,860</u>

NOTE 7-SCA INCOME

Pacifica Foundation entered into subcarrier agreements (SCA) in March 1984, whereby outside companies would be allowed to use a portion of certain Pacifica stations' basebands in order to broadcast signals to the outside companies' subscribers. The initial terms of the agreements were five years from start of operations at each respective station. Subsequent to the initial agreements, some of the leases have expired and some have renewed. Additional agreements have been entered into during the year ended September 30, 2003 resulting in additional annual SCA revenue of approximately \$100,000.

Income from the leases is recorded in total at the National Office and allocated to the various stations for special projects as needed and approved by the board.

In 1984, Pacifica Foundation had retained legal counsel to investigate the possibility that the above income is unrelated and thereby taxable, and a determination request was submitted to the IRS. The response from the IRS indicated that the income is not taxable and that Pacifica's non-profit status will not be affected.

NOTE 8-DONATED SERVICES-VOLUNTEERS

No amount has been included for volunteer support, where the amounts donated and contributed are for services of volunteers, where the work being performed is other than their regular professional occupation.

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 9-PROPERTY AND EQUIPMENT

Included in the property and equipment held at September 30, 2003 is certain technical equipment acquired with the assistance of government grants.

In accordance with the regulations of these grants, the Federal Government retains interest in these assets for a period of 10 years following the completion of the grant.

At September 30, 2003, the following assets were subject to the federal ten year periods:

	Approximate Cost	End of 10 Year Period
KPFA	\$ 3,000	2,004
WPFW	34,508	2,004
National Office	15,000	2,004
Total equipment subject to federally retained interests	\$ <u>52,508</u>	

NOTE 10-CENTRAL SERVICES

Central services consist of operating expenses provided by the National Office for the various stations. Typically, they consist of such expenses as administrative, legal and accounting services, insurance, programming, distribution and subscription services paid by the National Office.

NOTE 11-DEFERRED INCOME

Deferred income at September 30, 2003 consisted of \$71,073 from Community Events Income received in advance, deferred grants for \$10,902 and miscellaneous deferred sales of \$1,296.

NOTE 12-DEPOSITS

Deposits at September 30, 2003 include security deposits held by KPFA related to tenants leasing various property acquired during the year ended September 30, 1991.

NOTE 13-PROGRAM ENDOWMENT, RESTRICTED

Pacifica has received donations which the grantors and Pacifica's Board intend to be held as endowments. It is management's intention to invest the endowment in various long-term

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 13-PROGRAM ENDOWMENT, RESTRICTED (continued)

investment instruments. The annual investment income may be used for various program production activities. In addition, if the value of assets has appreciated over the historic dollar value, the net appreciation, realized (with respect to all assets) and unrealized (with respect only to readily marketable assets) may be appropriated for expenditure, unless prohibited by the donor in the applicable gift instrument.

NOTE 14-PENDING LEGAL MATTERS

Commitments and Contingencies

The Foundation is a defendant in several lawsuits. Management believes these suits are without merit and intends to vigorously defend its position. Management believes that the resolutions claims and pending litigation will not have a material effect, individually or in the aggregate, to the financial position, results of operations and cash flows. Legal counsel has advised management that a range of loss, if any, cannot be reasonably estimated at this time. Accordingly, no provision for possible loss has been made in these financial statements.

Communications Attorneys

Pacifica's communications attorneys have advised management that they are not aware of any pending or threatened litigations, claims, or assessments.

NOTE 15-CHARITABLE REMAINDER TRUST

In December 1990 Pacifica was named principal beneficiary of a charitable remainder trust. The terms of the trust calls for monthly percentage of principal payments to named income beneficiaries. Required monthly payments are to be paid first out of trust income, then out of trust principal, with any excess trust income added to principal. Annual trust administrative costs are to be paid out of trusts assets. Upon expiration of the trust term of twenty years or if earlier, upon the death of the last income beneficiary, trust assets revert to Pacifica Foundation. The market value of the trust assets at September 30, 2003 was \$131,884.

NOTE 16-EMPLOYEE BENEFIT PLAN

The Foundation has a defined contribution 403B salary deferral plan and a profit-sharing plan covering substantially all eligible employees salaries. Plan expenses incurred by the Foundation during the fiscal year ended September 30, 2003 was \$92,134.

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 17-CONCENTRATION OF CREDIT RISK

Pacifica Foundation maintains several bank accounts at one bank. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$100,000. Cash at these institutions exceeded Federally insured limits. The amount in-excess of the FDIC limit totaled \$1,320,361 as of September 30, 2003. The Foundation also maintains accounts with stock brokerage firms. The accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investor Protection Corp.

NOTE 18- LEGAL SETTLEMENTS (People ex re. Spooner)

On December 14, 2001, a settlement agreement was entered into by and between the Attorney-General of the State of California and plaintiffs in the "People ex re. Spooner" and "Robinson" and "Moran" and the "Adelson" actions and the defendants or potential defendants in the actions including certain individual members of the board of Pacifica as well as the Pacifica Foundation as a nominal defendant. The settlement provided for the dismissal of all of the actions and the appointment of an interim board of directors with a mandate to amend Pacifica's bylaws providing for changes in the corporate governance of Pacifica Foundation. The interim board, with a total of fifteen (15) directors, was appointed in the following manner: the "majority members" of the prior board as a group selected five (5) directors, the "minority members" of the prior board as a group selected five (5) directors, and the Chair of each of the five LABs selected one director for a total of five (5) directors selected by the LAB Chairs. The interim board will serve for a term of fifteen (15) months from the date of its first meeting, at the end of which time all directors will resign in favor of directors to be elected pursuant to new bylaws. A "balanced majority" of the interim board (i.e. with at least one person from each of the three groups that designated interim board members (majority members, minority members, and LAB Chairs)), or a majority of three (3) of the five (5) LABs, is necessary to complete the revision and adoption of bylaws and the holding of elections.

NOTE 19-SUBSEQUENT EVENTS

Persuant to the adoption of new By-Laws (see note 18), the five station Pacifica Radio network had elections in February, 2004 whereby over 16,000 active members nationwide cast ballots in an independently supervised election that elected five 24 members Local Station Boards (LSB) representing KPFA, KPFK, KPFT, WBAI and WPFW. The LSBs in turn elected representatives to a 22 member Pacifica National Board seated on March 12, 2004.

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 20-DEMOCRACY NOW AGREEMENT

On June 13, 2002 an agreement was made between Pacifica and Democracy Now! Productions, Inc. (Producer) whereby the Democracy Now! program will be independently produced by the Producer under an annual contract with Pacifica for \$188,335 for the remainder of the fiscal year ending Sept. 30, 2002, \$440,000 for fiscal year ending Sept. 30, 2003 with annual increases of 4% to 10% to be negotiated for subsequent years until the termination of the contract on Sept. 30, 2007. Summary of Key Terms: Pacifica will provide Producer with distribution services and research materials. Producer will have complete editorial independence and will be solely responsible for content and all costs of production including production facilities. Intellectual property and certain distribution rights are reserved to Producer. Producer will actively assist Pacifica in on-air fundraising drives to substantially the same extent as before and shall have the rights to also engage in fundraising on its own behalf.

NOTE 21-SEVERENCE PAYMENTS INCLUDED IN SALARIES EXPENSE

Severances paid or accrued to employees terminated during the fiscal year ended Sept. 30, 2003 of \$44,131 has been included in the total salaries expense of \$5,214,037.

NOTE 22-PRIOR YEAR ADJUSTMENTS

For the fiscal year ended Sept. 30, 2001 \$64,505 in consulting fees (P.R.and Security) and \$274,917 in legal fees were overstated. These fees were disputed by management and eventually eliminated by legal settlement. Also, accounting errors primarily due to an accounting software system conversion from September 30, 2001 to September 30, 2002 whereby numerous duplicate invoices were recorded to accounts payable, overstated accounts payable and various expenses and subsequently, there were offsetting legal settlements for legal fees and personnel costs resulting in a net increase to accounts payable and net decrease in net assets of \$13,810 in the fiscal year ended September 30, 2002. Accordingly, accounts payable has been decreased (increased) and net assets increased (decreased) by \$339,422 and \$(13,180) respectively for the years ended Sept. 30 2001 and Sept. 30, 2002. Net assets at the beginning of the fiscal year ended Sept. 30, 2003 have been adjusted by \$325,612. This correction has no effect on the result of the current year's activities.

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

NOTE 23-STATEMENT OF FINANCIAL POSITION BY DIVISION

Accounts Payable and accrued expenses – National Office

At September 30, 2003 the Foundation reports accounts payable and accrued expenses of \$1,143,276 at the National Office including balances related to other divisions for invoices billed to National, of \$504,811 for legal services incurred for the National Board and \$350,328 for legal services/settlements incurred for Pacifica Stations. The Pacifica Stations liabilities are included in the interdivisional loan accounts and the related expenses are reported by the division incurring the expense in the Statement of Activities (By Division).

NOTE 24 PLEDGES AND OTHER RECEIVABLES

Pledges receivables have been recorded as of September 30, 2003 based on balances due on installment pledges and represent historical collection fulfillment rates for this fiscal year of approximately 88% KPFA, 85% KPFK, 87% KPFT, 70% WBAI and 85% WPFW.

**PACIFICA FOUNDATION
SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2003**

PACIFICA FOUNDATION
STATEMENT OF FINANCIAL POSITION (BY DIVISION)
AS OF SEPTEMBER 30, 2003

ASSETS	Totals	Eliminations	KPFA	KPFK	WBAL	KPFT	WPFW	PRA	National Office
CURRENT ASSETS									
Cash in bank	\$ 1,341,609	\$	\$ 549,570	\$ 470,997	\$ 79,292	\$ 45,489	\$ 67,671	\$ 54,094	\$ 74,496
Investments	9,430		9,430						
Pledges and other receivables	415,677		122,926	71,741	82,760	98,590	16,831	16,399	6,430
Inter-division receivables	-	(5,364,794)	1,864,981	106,513	453,163	188,204	470,360	(34,815)	2,316,388
Prepaid expenses	59,180		42,919	7,062			2,995	1,500	4,704
Inventory	160,701		13,760	111,563	10,215	3,358	21,805		
TOTAL CURRENT ASSETS	<u>1,986,597</u>	<u>(5,364,794)</u>	<u>2,594,156</u>	<u>777,306</u>	<u>625,430</u>	<u>335,641</u>	<u>579,662</u>	<u>37,178</u>	<u>2,402,018</u>
PROPERTY AND EQUIPMENT									
Land	632,428		481,069	88,475		62,884			
Building and improvements	2,881,404		2,029,726	485,546		115,543			250,589
Equipment	7,122,523		1,931,275	1,602,464	1,254,742	520,613	808,703	46,705	958,021
Leasehold improvements	723,205			7,707	494,471	16,430	88,096		116,501
Furnitures and fixtures	307,361		103,293	960	62,468	22,130	84,669		33,841
	11,666,921		4,545,363	2,185,152	1,811,681	737,600	981,468	46,705	1,358,952
Less: Accumulated depreciation	(7,838,658)		(2,594,055)	(1,435,788)	(1,439,028)	(537,850)	(826,248)	(21,516)	(984,173)
PROPERTY AND EQUIPMENT, NET	<u>3,828,263</u>		<u>1,951,308</u>	<u>749,364</u>	<u>372,653</u>	<u>199,750</u>	<u>155,220</u>	<u>25,189</u>	<u>374,779</u>
OTHER ASSETS									
Other assets including deposits	63,772		2,878		41,842		12,536		6,516
Program endowment	413,184								413,184
TOTAL OTHER ASSETS	<u>476,956</u>		<u>2,878</u>		<u>41,842</u>		<u>12,536</u>		<u>419,700</u>
TOTAL ASSETS	<u>\$ 6,291,816</u>	<u>\$ (5,364,794)</u>	<u>\$ 4,548,342</u>	<u>\$ 1,526,670</u>	<u>\$ 1,039,925</u>	<u>\$ 535,391</u>	<u>\$ 747,418</u>	<u>\$ 62,367</u>	<u>\$ 3,196,497</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
STATEMENT OF FINANCIAL POSITION (BY DIVISION)
AS OF SEPTEMBER 30, 2003

LIABILITIES AND NET ASSETS	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	PRA	National Office
CURRENT LIABILITIES									
Accounts payable and accrued expenses	\$ 1,754,283	\$	\$ 182,548	\$ 73,188	\$ 249,062	\$ 23,457	\$ 58,711	\$ 24,041	\$ 1,143,276
Deferred income	83,271		71,073					12,198	
Inter-division payable		(5,364,794)	563,745	6,043	477,509	507,397	843,078	23,475	2,943,547
Mortgage payable-current portion	76,167		76,167						
Deposits payable & other liabilities	7,079						3,079		4,000
TOTAL CURRENT LIABILITIES	<u>1,920,800</u>	<u>(5,364,794)</u>	<u>893,533</u>	<u>79,231</u>	<u>726,571</u>	<u>530,854</u>	<u>904,868</u>	<u>59,714</u>	<u>4,090,823</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES									
Mortgage payable	86,750		86,750						
TOTAL LIABILITIES	<u>2,007,550</u>	<u>(5,364,794)</u>	<u>980,283</u>	<u>79,231</u>	<u>726,571</u>	<u>530,854</u>	<u>904,868</u>	<u>59,714</u>	<u>4,090,823</u>
NET ASSETS									
Unrestricted	3,903,211		3,418,059	1,427,439	313,354	4,537	(157,450)	(12,347)	(1,090,381)
Temporarily restricted	15,000							15,000	
Permanently restricted	366,055		150,000	20,000					196,055
TOTAL NET ASSETS	<u>4,284,266</u>		<u>3,568,059</u>	<u>1,447,439</u>	<u>313,354</u>	<u>4,537</u>	<u>(157,450)</u>	<u>2,653</u>	<u>(894,326)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,291,816</u>	<u>\$ (5,364,794)</u>	<u>\$ 4,548,342</u>	<u>\$ 1,526,670</u>	<u>\$ 1,039,925</u>	<u>\$ 535,391</u>	<u>\$ 747,418</u>	<u>\$ 62,367</u>	<u>\$ 3,196,497</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
STATEMENT OF ACTIVITIES (BY DIVISION)
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Totals	Eliminations	KPFA	KPFK	WBAL	KPFT	WPFW	PRA	National Office
UNRESTRICTED REVENUE & SUPPORT									
Listener support / Donations	\$ 13,031,634	\$	\$ 3,832,885	\$ 3,093,131	\$ 2,981,919	\$ 1,065,865	\$ 1,466,465	\$ 199,358	\$ 392,011
Grants	1,696,424		399,146	309,149	577,797	108,407	263,677	20,748	17,500
Community events	490,197		170,527	16,417	229,300	36,421	23,377	14,155	
SCA income	195,000								195,000
Other revenue	374,376		53,055	1,031	500	223	9	287,641	32,948
Investment income	50,153								49,122
Central services	-	(2,516,119)							2,516,119
	<u>15,837,784</u>	<u>(2,516,119)</u>	<u>4,455,613</u>	<u>3,419,728</u>	<u>3,789,516</u>	<u>1,210,916</u>	<u>1,753,528</u>	<u>521,902</u>	<u>3,202,700</u>
TOTAL UNRESTRICTED REVENUE	15,837,784	(2,516,119)	4,455,613	3,419,728	3,789,516	1,210,916	1,753,528	521,902	3,202,700
EXPENSES									
Program services	7,145,907		1,355,465	1,165,042	1,645,840	531,447	765,927	353,772	1,328,415
Management & general	4,324,048		694,816	592,284	716,230	199,175	183,660	160,379	1,777,504
Fundraising	2,860,106		590,311	630,884	671,659	256,715	496,324	39,881	174,331
Central services	0	(2,516,119)	883,071	567,053	585,033	191,022	289,940		
Community events	164,784		80,511	7,925	51,835	10,011	8,154	6,348	
	<u>14,494,845</u>	<u>(2,516,119)</u>	<u>3,604,174</u>	<u>2,963,188</u>	<u>3,670,597</u>	<u>1,188,370</u>	<u>1,744,005</u>	<u>560,380</u>	<u>3,280,250</u>
CHANGE IN UNRESTRICTED NET ASSETS	1,327,939		851,439	456,540	118,919	22,546	9,523	(53,478)	(77,550)
CHANGE IN TEMPORARILY NET ASSETS	15,000		0	0	0	0	0	15,000	0
CHANGE IN RESTRICTED NET ASSETS	0		0	0	0	0	0	0	0
NET ASSETS--Beginning of year	2,941,327		2,716,620	990,899	194,435	(18,009)	(166,973)	41,131	(816,776)
	<u>\$ 4,284,266</u>	<u>\$</u>	<u>\$ 3,568,059</u>	<u>\$ 1,447,439</u>	<u>\$ 313,354</u>	<u>\$ 4,537</u>	<u>\$ (157,450)</u>	<u>\$ 2,653</u>	<u>\$ (894,326)</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES (BY DIVISION)
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	PRA	National Office
SALARIES AND RELATED EXPENSES									
Salaries	\$ 5,214,037	\$	\$ 1,292,703	\$ 960,944	\$ 1,120,622	\$ 428,011	\$ 421,934	\$ 264,314	\$ 725,509
Payroll taxes	472,810		110,317	83,384	115,064	39,133	37,846	23,201	63,865
Employee benefits	752,392		180,000	114,100	134,747	62,120	94,669	65,384	101,372
Outside services	498,158		18,147	48,117	107,946	16,972	53,885	15,620	237,471
TOTAL SALARIES & RELATED EXPENSES	6,937,397		1,601,167	1,206,545	1,478,379	546,236	608,334	368,519	1,128,217
OTHER EXPENSES									
Acquisition news department	4,957								4,957
ADP payroll service	24,010								24,010
Advertising & promotion	3,897				179		421	3,297	0
Associations & periodicals	18,631		2,868	413	360	5,001	1,367	186	8,436
Audit and accounting fees	58,000								58,000
Bank charges	282,930		91,696	71,906	14,951	51,878	36,316	7,625	8,558
CAC training expenses	36,871		2,459						34,412
Computer maintenance	133,664		36,651	21,765	26,807	5,559	9,801	5,286	27,795
Conferences & training	75,079		6,824	4,340	8,393	4,455	2,754	20,139	19,701
Consulting (P.R. & Security)	4,340								
Depreciation & amortization	640,729		72,793	171,541	149,809	53,776	56,325	7,245	129,240
Development expenses	2,320			249	46		260		1,765
Direct mail & telemarketing	244,299		28,999	51,489	28,083	25,894	81,130	1,442	27,262
Employee relations	1,194								1,194
Equipment rental	94,992		29,391	11,756	7,399	10,287	17,179	895	18,085
Fines & penalty	2,808		2,808						
Insurance	200,609								
Interest	12,613		10,911		875	1,367	6,370		191,997
Legal and professional fees	484,489		4,795	119,639	58,161	7,470	24,807		1,702
Major gifts expense	6,455		4,445	764	335	911			269,617
Moving expenses	49,817		933						48,884
National board expenses	161,918		14,387	11,541	6,994	12,031	3,327	1,819	111,819
News service	108,357		33,295	44,634	30,817				(389)
Non-operating grant expenses	4,506		3,963						543
Office expenses	121,459		14,416	36,210	18,830	12,749	16,721	8,180	14,353
Other administrative	27,783		4,919	4,278	10,744	1,860	17	337	5,628
Other development	30,106		1,279		25	14,227		615	13,960
Other programming	593,030		83,705	62,050	155,748	41,038	71,781	2,846	175,862
Other station and SCA other expenses	6,296				500		1,796		4,000
Postage & shipping	74,660		5,754	9,013	3,453	5,437	19,876	10,942	20,185
Premiums/shipping & marathons	938,499		241,620	144,855	286,825	48,784	180,563	35,852	
Printing & publications	103,000		16,668	23,728	20,124	4,454	19,036		
Programming services	623,550				200	17,750	4,709	25,222	18,990
Rent	695,663		6,512		472,131	32,214	113,897	3,124	575,669
Repairs & maintenance-non technical	151,060		49,666	54,975	16,215	2,759	15,450	4,106	67,785
Repairs & maintenance-technical	126,248		15,413	34,042	19,093	1,378	37,526	3,041	7,889
Satellite interconnect	107,417		16,440		5,800	5,950	1,933		15,755
Search cost	7,346		772	1,067		888	1,141	160	77,294
Subscriptions services	152,200		44,263	40,405	34,520	22,115	10,897		3,318
Tapes & supplies	64,485		3,873	12,926	13,474	1,899	1,006	31,293	14
Taxes (UBT & Property)	51,914		10,478	5,698		9,449		440	25,849
Telephone	402,222		86,033	77,280	106,459	26,534	48,444	8,156	49,316
Travel	150,900		18,218	37,446	2,996	2,262	2,996	2,721	83,581
Utilities	307,341		72,178	114,841	55,001	10,725	49,048		5,548
TOTAL OTHER EXPENSES	7,392,664		1,039,425	1,181,664	1,555,347	441,101	837,574	185,512	2,152,041
TOTAL FUNCTIONAL EXPENSES	\$ 14,330,061		\$ 2,640,592	\$ 2,388,209	\$ 3,033,726	\$ 987,337	\$ 1,445,908	\$ 554,031	\$ 3,280,258

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES-PROGRAM SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Totals	Eliminations	KPFA	KPKF	WBAI	KPFT	WPFW	PRA	National Office
SALARIES AND RELATED EXPENSES									
Salaries	\$ 2,612,587	\$	\$ 872,453	\$ 442,034	\$ 560,311	\$ 243,966	\$ 232,064	\$ 167,443	\$ 94,316
Payroll taxes	236,334		74,324	38,357	57,532	22,306	20,815	14,698	8,302
Employee benefits	383,418		121,483	52,486	67,374	35,408	52,068	41,421	13,178
Outside services	247,798		5,258	48,117	107,946	16,972	53,885	15,620	
TOTAL SALARIES & RELATED EXPENSES	3,480,137		1,073,518	580,994	793,163	318,652	358,832	239,182	115,796
OTHER EXPENSES									
Acquisition news department	4,957								4,957
ADP payroll service	12,005								12,005
Advertising & promotion	3,897				179		421	3,297	
Associations & periodicals	10,902		1,174	413	360	5,001	1,367	56	2,531
CAC training expenses	36,321		1,909						34,412
Computer maintenance	40,261		1,323	10,012	13,404	3,169	5,391	3,349	3,613
Conferences & training	70,202		1,947	12,813	8,393	4,455	2,754	20,139	19,701
Depreciation & amortization	397,556			120,079	104,866	37,643	39,428	5,072	90,468
Development expenses	2,320			249	46		260		1,765
Employee relations	1,194								1,194
Equipment rental	27,338			5,408	3,700	5,864	9,448	567	2,351
Insurance	154,470				674	1,053	4,905		147,838
News service	107,196		32,134	44,634	30,817				(389)
Non-operating grant expenses	4,506		3,963					543	
Office expenses	49,628		44	16,657	9,415	7,267	9,197	5,182	1,866
Other administrative	78								
Other programming	593,030		83,705	62,050	155,748	41,038	71,781	2,846	175,862
Other station and SCA other expenses	6,296				500		1,796		4,000
Postage & shipping	31,767		2,307	4,146	1,727	3,099	10,932	6,932	2,624
Printing & publications	86,332			23,728	20,124	4,454	19,036		18,990
Programming services	623,550				200	17,750	4,709	25,222	575,669
Rent	441,543				325,770	23,516	92,257		
Repairs & maintenance-non technical	75,083		3,187	46,179	11,188	2,014	12,515	3,041	15,755
Repairs & maintenance-technical	124,371		13,536	34,042	19,093	1,378	37,526		77,294
Satellite interconnect	107,417		16,440		5,800	5,950	1,933		3,318
Search cost	6,574			1,067		888	1,141	160	
Subscriptions services	107,937			40,405	34,520	22,115	10,897		
Tapes & supplies	63,276		2,664	12,926	13,474	1,899	1,006	31,293	14
Telephone	200,191		58,066	35,549	53,230	15,124	26,644	5,167	6,411
Travel	45,127		10,999	17,225	1,498	1,289	2,022	1,724	10,370
Utilities	230,446		48,471	96,466	37,951	7,829	39,729		
TOTAL OTHER EXPENSES	3,665,771		281,947	584,048	852,677	212,795	407,095	114,590	1,212,619
TOTAL PROGRAM SERVICES EXPENSES	\$ 7,145,907		\$ 1,355,465	\$ 1,165,042	\$ 1,645,840	\$ 531,447	\$ 765,927	\$ 353,772	\$ 1,328,415

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES-MANAGEMENT & GENERAL
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	PRA	National Office
SALARIES AND RELATED EXPENSES									
Salaries	\$ 1,778,679	\$	\$ 284,213	\$ 278,674	\$ 358,599	\$ 107,003	\$ 80,167	\$ 96,871	\$ 573,152
Payroll taxes	160,871		23,940	24,181	36,820	9,783	7,191	8,503	50,453
Employee benefits	253,346		39,574	33,089	43,119	15,530	17,987	23,963	80,084
Outside services	239,730		2,259						237,471
TOTAL SALARIES & RELATED EXPENSES	2,432,626		349,986	335,944	438,538	132,316	105,345	129,337	941,160
OTHER EXPENSES									
ADP payroll service	8,404								8,404
Associations & periodicals	6,868		1,694					112	5,062
Audit and accounting fees	58,000								58,000
Bank charges	28,643		12,460					7,625	8,558
CAC training expenses	550		550						
Conferences & training	4,877		4,877						
Computer maintenance	74,701		32,664	6,312	8,578	1,390	1,862	1,937	21,958
Consulting (P.R. & Security)	4,340		4,340						
Depreciation & amortization	203,417		72,793	39,454	34,456	12,368	12,955	1,666	29,725
Equipment rental	55,619		29,391	3,409	2,368	2,572	3,264	328	14,287
Fines & penalty	2,808		2,808						
Insurance	30,092				131	205	956		28,800
Interest	12,613		10,911						1,702
Legal and professional fees	484,489		4,795	119,639	58,161	7,470	24,807		269,617
Moving expenses	49,817		933						48,884
National board expenses	161,918		14,387	11,541	6,994	12,031	3,327	1,819	111,819
News service	1,161		1,161						
Office expenses	51,485		14,257	10,501	6,026	3,187	3,177	2,998	11,339
Other administrative	27,705		4,841	4,278	10,744	1,860	17	337	5,628
Postage & shipping	32,257		3,447	2,614	1,105	1,359	3,776	4,010	15,946
Premiums/shipping & marathons	11,732		11,732						
Printing & publications	3,963		3,963						
Rent	176,975		6,512		99,148	5,476	9,112	2,499	54,228
Repairs & maintenance-non technical	66,133		46,479	4,948	3,405	469	1,236	3,285	6,311
Repairs & maintenance-technical	1,877		1,877						
Search cost	772		772						
Tapes & supplies	1,209		1,209						
Taxes (UBT & Property)	51,914		10,478	5,698		9,449		440	25,849
Telephone	133,178		18,913	22,411	34,067	6,634	9,204	2,989	38,960
Travel	88,127		7,219	10,859	959	566	698	997	66,829
Utilities	55,778		23,707	10,336	11,550	1,823	3,924		4,438
TOTAL OTHER EXPENSES	1,891,422		344,830	256,340	277,692	66,859	78,315	31,042	836,344
TOTAL MGMT AND GENERAL EXPENSES \$	4,324,048	\$	694,816	592,284	716,230	199,175	183,660	160,379	1,777,504

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES-FUNDRAISING
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	PRA	National Office
SALARIES AND RELATED EXPENSES									
Salaries	\$ 822,771	\$	\$ 136,037	\$ 240,236	\$ 201,712	\$ 77,042	\$ 109,703	\$	\$ 58,041
Payroll taxes	75,605		12,053	20,846	20,712	7,044	9,840		5,110
Employee benefits	115,628		18,943	28,525	24,254	11,182	24,614		8,110
Outside services	10,630		10,630						
TOTAL SALARIES & RELATED EXPENSES	1,024,634		177,663	289,607	246,678	95,268	144,157		71,261
OTHER EXPENSES									
ADP payroll service	3,601								3,601
Associations & periodicals	861							19	842
Bank charges	254,287		79,236	71,906	14,951	51,878	36,316		
Computer maintenance	18,702		2,664	5,441	4,825	1,001	2,548		2,223
Depreciation & amortization	39,756			12,008	10,487	3,764	3,943	507	9,047
Direct mail & telemarketing	244,299		28,999	51,489	28,083	25,894	81,130	1,442	27,262
Equipment rental	12,035			2,939	1,332	1,852	4,467		1,445
Insurance	16,047				70	109	510		15,358
Major gifts expense	6,455		4,445	764	335	911			
Office expenses	20,346		115	9,053	3,389	2,295	4,347		1,147
Other development	30,106		1,279		25	14,227	0	615	13,960
Postage & shipping	10,636			2,253	622	979	5,168		1,614
Premiums/shipping & marathons	926,767		229,888	144,855	286,825	48,784	180,563	35,852	
Printing & publications	12,705		12,705						
Rent	77,145				47,213	3,221	12,529	625	13,557
Repairs & maintenance-non technical	9,844			3,848	1,622	276	1,700	821	1,577
Subscriptions services	44,263		44,263						
Telephone	68,853		9,054	19,320	19,163	4,776	12,595		3,945
Travel	17,647			9,362	539	407	956		6,382
Utilities	21,117			8,039	5,500	1,073	5,395		1,110
TOTAL OTHER EXPENSES	1,835,472		412,648	341,277	424,981	161,447	352,167	39,881	103,071
TOTAL FUNDRAISING EXPENSES	\$ 2,860,106	\$	\$ 590,311	\$ 630,884	\$ 671,659	\$ 256,715	\$ 496,324	\$ 39,881	\$ 174,331

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
OTHER REVENUE BY DIVISION
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Totals	KPFA	KPFK	WBAI	KPFT	WPFW	PRA	National Office
OTHER REVENUE								
Tape sales (recorded programs)	\$ 287,267	\$	\$	\$	\$	\$	\$ 287,267	
Rental of mailing lists	7,646							7,646
Rental of premises (net)	46,146	40,920						5,226
Other income	33,317	12,135		500	223	9	374	20,076
TOTAL OTHER REVENUE	\$ 374,376	\$ 53,055	\$ 0	\$ 500	\$ 223	\$ 9	\$ 287,641	\$ 32,948

The accompanying notes are an integral part of these financial statements