

PACIFICA FOUNDATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

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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, 2004, 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 our 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 our 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, 2004 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 18 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.

New York, New York  
February 28, 2005

  
Ross Wisdom CPA, PLLC

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Pacifica Foundation  
Berkeley, California

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New York, New York  
February 28, 2005

Ross Wisdom CPA, PLLC  
Certified Public Accountant

PACIFICA FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2004

CURRENT ASSETS	
Cash in bank (note 1)	\$ 1,612,541
Investments (note 2)	9,842
Pledges and other receivables (note 3)	473,549
Prepaid expenses	58,308
Inventory	129,475
TOTAL CURRENT ASSETS	<u>2,283,715</u>
PROPERTY AND EQUIPMENT	
Equipment (note 4)	7,285,490
Furnitures and fixtures	315,821
Leasehold improvements	723,205
Building and improvements	2,973,867
Land	632,428
	<u>11,930,811</u>
Less: Accumulated depreciation	(8,340,348)
PROPERTY AND EQUIPMENT, NET	<u>3,590,463</u>
OTHER ASSETS	
Other assets including deposits (note 5)	61,805
Program endowment (note 6)	460,601
TOTAL OTHER ASSETS	<u>522,406</u>
TOTAL ASSETS	<u>\$ 6,396,584</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2004

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 1,458,599
Deferred income (note 7)	11,489
Mortgage payable-current portion	80,000
Deposit payable & other liabilities	25,079
TOTAL CURRENT LIABILITIES	<u>1,575,167</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES	
Mortgage payable, net (note 8)	3,750
TOTAL LIABILITIES	<u>1,578,917</u>
NET ASSETS	
Unrestricted	4,419,639
Temporarily restricted	31,973
Permanently restricted (note 6)	366,055
TOTAL NET ASSETS	<u>4,817,667</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,396,584</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, 2004

UNRESTRICTED REVENUE & SUPPORT	
Listener support / Donations	\$ 13,022,616
Grants (note 9)	1,547,012
Community events	667,844
SCA income (note 10)	362,500
Other revenue	367,643
Investment income (note 2)	37,753
Net assets released from restrictions	<u>22,817</u>
TOTAL UNRESTRICTED REVENUE	<u>16,028,185</u>
EXPENSES	
Program services	8,173,378
Management & general	3,889,772
Fundraising	3,056,726
Community events	<u>268,348</u>
TOTAL EXPENSES	<u>15,388,224</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>639,961</u>
TEMPORARILY RESTRICTED NET ASSETS	
Grants (note 9)	39,790
Net assets released from restrictions	<u>(22,817)</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>16,973</u>
CHANGE IN PERMANENT RESTRICTED NET ASSETS	0
NET ASSETS-BEGINNING OF YEAR (note 21)	<u>4,160,733</u>
NET ASSETS-END OF YEAR	<u>\$ 4,817,667</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL FUNCTIONAL EXPENSES
Salaries	\$ 3,005,821	\$ 1,708,270	\$ 846,309	\$ 5,560,400
Payroll taxes	285,005	156,626	79,223	520,855
Employee benefits	538,176	321,531	154,501	1,014,207
Outside services	208,410	42,122	13,080	263,612
Payroll service	11,554	8,087	3,466	23,107
Advertising & promotion	14,379			14,379
Apprentiship program	43,825			43,825
Associations & periodicals	13,259	5,449	847	19,555
Audit and accounting fees		80,942		80,942
Bank charges		19,930	25,630	45,560
Board election expenses	206,571			206,571
Brokers fee		8,881		8,881
Computer maintenance	62,489	102,559	21,189	186,237
Conferences & training	47,558	3,547		51,105
Consulting fees		14,540		14,540
Contributions		6,099		6,099
Credit card fees			285,215	285,215
Democracy now	464,933			464,933
Depreciation & amortization	290,234	182,433	29,023	501,690
Development expenses			32,513	32,513
Direct mail & telemarketing			184,005	184,005
Documentary production	24,373			24,373
Equipment rental	34,359	61,941	14,723	111,023
Folio expenses			32,853	32,853
Insurance	257,781	51,936	26,781	336,498
Interest		9,616		9,616
Legal and professional fees	641	276,077		276,718
Major gifts expense			10,237	10,237
Miscellaneous	6,907	16,338	3,649	26,894
Moving expenses		8,758		8,758
National board expenses		119,133	100	119,233
News service	99,113			99,113
NFCB Tradeshow & conventions	37,063			37,063
Non-operating grant expenses	1,560			1,560
Office expenses	40,111	38,580	14,829	93,520
Postage & shipping	27,568	24,621	9,768	61,957
Premiums/shipping & marathons		457	1,018,000	1,018,457
Presidential election/comm. hearings	109,809			109,809
Printing & publications	90,313	6,837	13,261	110,411
Programming services & expenses	568,152			568,152
Rent	526,341	194,797	86,581	807,719
Repairs & maintenance	180,622	105,409	9,686	295,715
Royalties	6,668			6,668
Satellite interconnect	88,995			88,995
Settlement fees		38,600		38,600
Storage		14,942		14,942
Subscriptions services	263,652		47,911	311,563
Tapes & supplies	110,025	98		110,123
Taxes (UBT & Property)		40,302		40,302
Telephone	234,835	112,530	59,697	407,062
Travel	67,743	51,493	15,091	134,327
Utilities	204,533	56,293	18,559	279,385
	<u>\$ 8,173,378</u>	<u>\$ 3,889,772</u>	<u>\$ 3,056,726</u>	<u>\$ 15,119,876</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

CASH FLOWS FROM OPERATING ACTIVITES	
Increase in net assets	\$ 656,934
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	501,690
Unrealized gain on investment	(412)
Change in assets and liabilities	
Increase in accounts receivable	(57,872)
Decrease in prepaid expenses	872
Decrease in inventory	31,226
Decrease in other assets	1,967
Increase in accounts payable-trade	4,492
Decrease in accounts payable-legal/settlements - Board Debt	(421,242)
Decrease in accounts payable-legal - National Office	(2,467)
Increase in deposit payable/other liabilities	18,000
Decrease in deferred income	(71,782)
NET CASH PROVIDED BY OPERATING ACTIVITES:	<u>661,406</u>
CASH FLOWS FROM INVESTING ACTIVITES	
Purchase of building and improvements	(92,463)
Purchase of property and equipment	(162,967)
Purchase of furniture & fixtures	(8,460)
Increase in endowment funds	(47,417)
NET CASH PROVIDED BY INVESTING ACTIVITES:	<u>(311,307)</u>
CASH FLOWS FROM FINANCING ACTIVITES	
Payments on mortgage	(79,167)
NET CASH USED BY FINANCING ACTIVITES:	<u>(79,167)</u>
NET INCREASE IN CASH	270,932
CASH AT BEGINNING OF YEAR	<u>1,341,609</u>
CASH AT END OF YEAR	<u>\$ 1,612,541</u>

The accompanying notes are an integral part of these financial statements



**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2004**

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Description of Operations**

Pacifica Foundation was incorporated under the Nonprofit Corporation Law of the State of California on August 24, 1946 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 to other non-commercial radio stations, news services, schools, colleges, universities and the general public. Contributions are used to support non-commercial radio stations and to create public affairs programming which is available to 122 affiliated non-commercial radio stations.

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-National Division (National Office & Pacifica Radio Archives)

All significant inter-division accounts have been eliminated.

**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.

**Inventory**

Each station maintains an inventory of premium items used for fundraising activities carried at the lower of cost or fair market values.

**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 (see note 4). Property and equipment are depreciated using the straight-line method over 30yrs for Buildings, 10yrs for Furniture and Fixtures, 10yrs for Technical Equipment, 20yrs for Transmitter and Antenna Equipment (10yrs for Transmitter equipment acquired prior to October 1,2002) 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, 2004**

**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, 2004. (Radio station-WPFW).

**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. During the year ended September 30, 2004, \$22,817 of net assets were released from restrictions consisting of \$15,000 and \$7,817 in grant expenditures respectively from NEA and NARAS (see note 9)

**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.

**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

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)**

**Contributions (continued)**

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, 2004 there were no unconditional promises to give in subsequent years, other than the Lutz Charitable Remainder Trust (see note 17)

**Restricted Grants**

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 6 & 9)

**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.

**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.

**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, 2004, the Foundation incurred Federal and California income taxes of \$4,800 on UBTI from commercial leases.

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NOTE 1-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 \$1,514,211 as of September 30, 2004. 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. There were no amounts in excess of the insured limits with brokers at September 30, 2004.

**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) \$10,631. Unrealized gains (losses) since acquisition totaled \$27,570.

Investments, stated at fair market value as of September 30, 2004 consist of the following:

	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
Money Market (Brokerage accounts)	\$ 16,092	\$ 16,092	\$ 0
U. S. Government Securities	74,925	74,883	(42) 0
Corporate Securities	351,856	379,468	27,612
	<u>\$ 442,873</u>	<u>\$ 470,443</u>	<u>\$ 27,570</u>
Investments	\$ 9,420	\$ 9,842	\$ 422
Endowment account	433,453	460,601	27,148
	<u>\$ 442,873</u>	<u>\$ 470,443</u>	<u>\$ 27,570</u>

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NOTE 2-INVESTMENTS (continued)**

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended September 30, 2004.

		<u>UNRESTRICTED</u>
Realized & unrealized gains	\$	10,631
Interest & dividends		27,122
Net investment income	\$	<u>37,753</u>

**NOTE 3-PLEDGES AND OTHER RECEIVABLES**

Pledges receivables have been recorded as of September 30, 2004 based primarily on balances due on installment pledges and represent historical collection fulfillment rates for this fiscal year of approximately 90% KPFA, 87% KPFK, 89% KPFT, 77% WBAI and 84% WPFW.

**NOTE 4-TECHNICAL EQUIPMENT SUBJECT TO RESTRICTIONS**

Included in the property and equipment held at September 30, 2004 is certain technical equipment acquired with the assistance of government grants.

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

At September 30, 2004, the following assets were subject to the federal ten year periods:

	Approximate Cost	End of 10 Year Period
KPFA	\$ 73,326	2013
Total equipment subject to federally retained interests	<u>\$ 73,326</u>	

**NOTE 5-DEPOSITS**

Deposits at September 30, 2004 include security deposits on leased properties.

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NOTE 6-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 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 of \$366,055, 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 7-DEFERRED INCOME**

Deferred income at September 30, 2004 consisted of \$11,489 from affiliates.

**NOTE 8-MORTGAGE PAYABLE**

**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, 2004 was 5.75%.

Maturities by year of long-term debt, KPFA mortgage payable: September 30, 2005, \$80,000; and thereafter, \$3,750. (Long-term).

**NOTE 9-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	\$ 365,616	\$ 289,616	\$ 76,000
KPFK	371,736	371,736	0
WBAI	419,521	391,021	28,500
KPFT	82,913	79,114	3,799
WPFW	264,324	245,824	18,500
National Office	32,000	0	32,000
PRA	50,692	0	50,692
<u>Total Grants</u>	<u>\$ 1,586,802</u>	<u>\$ 1,377,311</u>	<u>\$ 209,491</u>

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NOTE 9-GRANT REVENUE (continued)**

Federal funding from the Corporation for Public Broadcasting (CPB) has been budgeted through September 30, 2005.

Grant revenue is received for program production, capital equipment acquisition and station operations. There are no restricted funds remaining at September 30, 2004 from CPB grants.

Grant revenue-PRA includes a grant of \$39,790 from the Academy of Recording Arts and Sciences (NARAS) for Phase II of the PRA Preservation and Access Project covering the period of July 1, 2004 to June 30, 2005.

**NOTE 10-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, 2004 resulting in additional annual SCA revenue of approximately \$362,500.

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 not-for-profit status will not be affected.

**NOTE 11-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.



**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NOTE 11-LEASE COMMITMENTS, OFFICES AND FACILITIES (continued)**

**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. The third option to extend automatically became effective on February 1, 2003 for the period February 1, 2003 to January 1, 2005, at a monthly rental of \$2,501.

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>
9/30/05	\$ 307,595	\$ 244,695	\$ 62,900
9/30/06	552,006	254,599	297,407
9/30/07-thereafter	3,102,531	1,708,813	1,393,718
	<u>\$ 3,962,132</u>	<u>\$ 2,208,107</u>	<u>\$ 1,754,025</u>

**NOTE 12-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.

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NOTE 13-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 14-SEVERENCE PAYMENTS INCLUDED IN SALARIES EXPENSE**

Severances paid or accrued to employees terminated during the fiscal year ended Sept. 30, 2004 of \$59,693 has been included in the total salaries expense of \$5,560,400.

**NOTE 15-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, 2004 was \$91,086.

**NOTE 16-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 \$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 17-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, 2004 was \$138,818.

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NOTE 18-SUBSEQUENT EVENTS-ANNUAL ELECTION OF DIRECTORS**

Persuant to the adoption of new By-Laws , 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-member 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. As of September 30, 2004 there were approximately 95,555 active members across the Pacifica network which met the voting qualifications of (a) donating \$25 or more to a Pacifica station during the year, or (b) volunteering a minimum of three verifiable hours to a Pacifica station, or (c) receiving a staff or hardship exemption qualification. No goods or services are provided to members other than the right to attend meetings, vote or hold office and, accordingly, the organization does not recognize a portion of donations received as Membership Dues. Subsequent to September 30, 2004, annual elections were held across the network in November and December of 2004 whereby, over 11,000 active members nationwide cast ballots in an independently supervised election that elected 12 members to each of the five 24-member LSB's to three year terms. The LSB's in turn elected four representatives each to a 22 member PACIFICA NATIONAL BOARD (Including 2 affiliate members) which was seated in January, 2005.

**NOTE 19 -LEGAL SETTLEMENTS WITH FORMER EMPLOYEES**

Costs incurred from legal settlements with former employees amounted to \$503,600 of which \$245,000 was covered by insurance proceeds resulting in a net expense of \$258,600 of which \$220,000 was accrued and expensed in prior years and a net expense reported for legal settlement costs of \$38,600 during the year ended September 30, 2004.

**NOTE 20-STATEMENT OF FINANCIAL POSITION BY DIVISION**

Accounts Payable and accrued expenses – National Division

At September 30, 2004 the Foundation reports accounts payable and accrued expenses of \$837,372 at the National Division including balances related to other divisions for invoices billed to National, of \$453,000 for legal services/settlements incurred for the National Office and \$152,263 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).

Accounts payable-PRA	\$	23,601
Legal services/settlements-Board Legal Debt		388,073
Legal services-National Office		64,927
Legal services-KPFK		81,480
Legal services/settlements-WPFW		70,783
Accounts payable & accrued expenses-National Office		<u>232,109</u>
Total	\$	<u>860,973</u>

**PACIFICA FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**NOTE 21-PRIOR PERIOD ADJUSTMENTS**

Accounts Payable and various expenses were understated by \$44,110. for the year ended September 30, 2001 and Accounts Payable and legal expenses were understated due to unaccrued invoices of \$79,423. for the year ended September 30, 2003. Accordingly, net assets at the beginning of the fiscal year ending September 30, 2004 have been adjusted (decreased) by \$123,533. This correction has no effect on the result of the current year's activities.

**PACIFICA FOUNDATION  
SUPPLEMENTAL INFORMATION  
SEPTEMBER 30, 2004**

PACIFICA FOUNDATION  
STATEMENT OF FINANCIAL POSITION (BY DIVISION)  
AS OF SEPTEMBER 30, 2004

ASSETS	Totals	Eliminations	KPFA	KPFK	WBAl	KPFT	WPFW	National Division
<b>CURRENT ASSETS</b>								
Cash in bank	\$ 1,612,541	\$	\$ 753,397	\$ 397,832	\$ 106,220	\$ 105,756	\$ 122,508	\$ 126,828
Investments	9,842			9,842				
Pledges and other receivables	473,549		113,937	106,343	57,446	133,680	29,636	32,507
Inter-division receivables	-	(1,592,406)	1,445,495	146,911				
Prepaid expenses	58,308		45,329				2,279	10,700
Inventory	129,475		21,139	59,884	12,605	16,526	19,321	
<b>TOTAL CURRENT ASSETS</b>	<b>2,283,715</b>	<b>(1,592,406)</b>	<b>2,379,297</b>	<b>720,812</b>	<b>176,271</b>	<b>255,962</b>	<b>173,744</b>	<b>170,035</b>
<b>PROPERTY AND EQUIPMENT</b>								
Equipment	7,285,490		1,953,072	1,675,558	1,280,454	524,877	808,703	1,042,826
Furniture and fixtures	315,821		103,293	4,385	62,468	22,130	84,669	38,876
Leasehold improvements	723,205			7,707	494,471	16,430	88,096	116,501
Building and improvements	2,973,867		2,047,798	556,200		119,280		250,589
Land	632,428		481,069	88,475		62,884		
	11,930,811		4,585,232	2,332,325	1,837,393	745,601	981,468	1,448,792
Less: Accumulated depreciation	(8,340,348)		(2,681,125)	(1,524,780)	(1,568,812)	(574,300)	(881,565)	(1,109,766)
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>3,590,463</b>		<b>1,904,107</b>	<b>807,545</b>	<b>268,581</b>	<b>171,301</b>	<b>99,903</b>	<b>339,026</b>
<b>OTHER ASSETS</b>								
Other assets including deposits	61,805				41,842		13,447	6,516
Program endowment	460,601							460,601
<b>TOTAL OTHER ASSETS</b>	<b>522,406</b>		<b>0</b>		<b>41,842</b>		<b>13,447</b>	<b>467,117</b>
<b>TOTAL ASSETS</b>	<b>\$ 6,396,584</b>	<b>\$ (1,592,406)</b>	<b>\$ 4,283,404</b>	<b>\$ 1,528,357</b>	<b>\$ 486,694</b>	<b>\$ 427,263</b>	<b>\$ 287,094</b>	<b>\$ 976,178</b>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION  
STATEMENT OF FINANCIAL POSITION (BY DIVISION)  
AS OF SEPTEMBER 30, 2004

LIABILITIES AND NET ASSETS	Totals	Eliminations	KPFA	KPFFK	WBAL	KPFT	WPFW	National Division
<b>CURRENT LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 1,458,599	\$	158,988	123,454	234,359	31,880	48,945	860,973
Deferred income	11,489							11,489
Inter-division payable		(1,592,406)	80,000		29,597	284,071	299,228	979,510
Mortgage payable-current portion	80,000							0
Deposit payable & other liabilities	25,079						3,079	22,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,575,167</u>	<u>(1,592,406)</u>	<u>238,988</u>	<u>123,454</u>	<u>263,956</u>	<u>315,951</u>	<u>351,252</u>	<u>1,873,972</u>
<b>LONG-TERM DEBT, NET OF CURRENT MATURITIES</b>								
Mortgage payable	3,750		3,750					
<b>TOTAL LIABILITIES</b>	<u>1,578,917</u>	<u>(1,592,406)</u>	<u>242,738</u>	<u>123,454</u>	<u>263,956</u>	<u>315,951</u>	<u>351,252</u>	<u>1,873,972</u>
<b>NET ASSETS</b>								
Unrestricted	4,419,639		3,890,666	1,384,903	222,738	111,312	(64,158)	(1,125,822)
Temporarily restricted	31,973							31,973
Permanently restricted	366,055		150,000	20,000				196,055
<b>TOTAL NET ASSETS</b>	<u>4,817,667</u>		<u>4,040,666</u>	<u>1,404,903</u>	<u>222,738</u>	<u>111,312</u>	<u>(64,158)</u>	<u>(897,794)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 6,396,584</u>	<u>\$ (1,592,406)</u>	<u>\$ 4,283,404</u>	<u>\$ 1,528,357</u>	<u>\$ 486,694</u>	<u>\$ 427,263</u>	<u>\$ 287,094</u>	<u>\$ 976,178</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, 2004

	Totals	Eliminations	KPFA	KPFK	WBAL	KPFT	WPFW	National Division
UNRESTRICTED REVENUE & SUPPORT								
Listener support / Donations	\$ 13,022,616	\$	\$ 3,705,575	\$ 2,744,744	\$ 3,114,695	\$ 1,215,610	\$ 1,586,347	\$ 655,645
Grants	1,547,012		365,616	371,736	419,521	82,913	264,324	42,902
Community events	667,844		314,970	59,456	204,681	57,694	19,501	11,542
SCA income	362,500							362,500
Other revenue	367,643		30,116	5,690	50,781	500	6,673	273,883
Investment income	37,753	(2,296,434)	6,910	1	2	3		30,834
Central services								2,296,434
Net assets released from restrictions	22,817							22,817
	<u>16,028,185</u>	<u>(2,296,434)</u>	<u>4,423,187</u>	<u>3,181,627</u>	<u>3,789,680</u>	<u>1,356,720</u>	<u>1,876,848</u>	<u>3,696,557</u>
TOTAL UNRESTRICTED REVENUE	16,028,185	(2,296,434)	4,423,187	3,181,627	3,789,680	1,356,720	1,876,848	3,696,557
EXPENSES								
Program services	8,173,378		1,618,849	1,496,126	2,096,538	465,759	663,903	1,832,203
Management & general	3,889,772		803,509	462,429	528,512	249,423	312,722	1,533,177
Fundraising	3,056,726		687,181	734,252	646,477	281,453	484,879	222,484
Central services		(2,296,434)	690,194	501,021	561,945	228,871	314,403	
Community events	268,348		150,847	30,335	46,824	24,439	7,649	8,254
TOTAL EXPENSES	<u>15,388,224</u>	<u>(2,296,434)</u>	<u>3,950,580</u>	<u>3,224,163</u>	<u>3,880,296</u>	<u>1,249,945</u>	<u>1,783,556</u>	<u>3,596,118</u>
INCREASE IN UNRESTRICTED NET ASSETS	639,961		472,607	(42,536)	(90,616)	106,775	93,292	100,439
TEMPORARILY RESTRICTED NET ASSETS								
Grants	39,790							39,790
Net assets released from restrictions	(22,817)							(22,817)
INCREASE IN TEMP. RESTRICTED NET ASSETS	<u>16,973</u>							<u>16,973</u>
CHANGE IN PERM. RESTRICTED NET ASSETS	0		0	0	0	0	0	0
NET ASSETS-Beginning of year	4,160,733		3,568,059	1,447,439	313,354	4,537	(157,450)	(1,015,206)
NET ASSETS-End of year	<u>\$ 4,817,667</u>	<u>\$</u>	<u>\$ 4,040,666</u>	<u>\$ 1,404,903</u>	<u>\$ 222,738</u>	<u>\$ 111,312</u>	<u>\$ (64,156)</u>	<u>\$ (897,794)</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, 2004

	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	National Division
<b>SALARIES AND RELATED EXPENSES</b>								
Salaries	\$ 5,560,400	\$	\$ 1,524,580	\$ 1,082,204	\$ 1,140,781	\$ 431,012	\$ 380,061	\$ 991,762
Payroll taxes	520,854		143,409	103,001	113,778	40,122	33,951	86,593
Employee benefits	1,014,208		281,171	146,925	199,818	95,657	99,888	190,749
Outside services	263,612		53,050	9,888	97,983	6,542	41,028	55,121
<b>TOTAL SALARIES &amp; RELATED EXPENSES</b>	<b>7,359,074</b>		<b>2,002,210</b>	<b>1,352,018</b>	<b>1,552,360</b>	<b>573,333</b>	<b>554,928</b>	<b>1,324,225</b>
<b>OTHER EXPENSES</b>								
Payroll service	23,107			793	9,293	1,229	573	23,107
Advertising & promotion	14,379							2,491
Apprenticeship program	43,825		6,408	1,740	5,535	2,765	1,891	43,825
Associations & periodicals	19,554				7,626			1,215
Audit and accounting fees	80,942		11,980	3,981	8,387	7,939	5,323	73,316
Bank charges	45,560		42,295	37,854	49,357	22,771	42,075	7,950
Board election expenses	206,571							12,219
Brokers fee	8,881							8,881
Computer maintenance	186,237		34,933	21,345	42,828	2,683	7,829	76,619
Conferences & training	51,105		18,519	(43)	6,507	5,374	1,144	19,904
Consulting fees	14,540			14,540				
Contributions	6,099				6,099			
Credit card fees	285,215		76,851	39,507	83,722	53,771	27,675	3,689
Democracy now	464,933							464,933
Depreciation & amortization	501,690		87,070	88,992	129,784	36,450	55,317	104,077
Development expenses	32,513		1,050	3,681	16,863	7,789	459	2,471
Direct mail & telemarketing	184,005		44,713	37,440	8,725	26,847	51,258	15,022
Documentary production	24,373							24,373
Equipment rental	111,023		32,119	22,970	7,617	13,830	13,861	20,626
Folio expenses	32,853		10,690	172	22,163	960		332,770
Insurance	336,498		1,546		1,050			3,085
Interest	9,616		6,531					89,661
Legal and professional fees	276,718		132,378		5,424	6,926	35,156	
Major gifts expense	10,237		6,169			1,046	3,022	
Misc.	26,894		10,222	2,275	150	1,297	8,895	4,055
Moving expenses	8,758		0					8,758
National board expenses	119,233		4,530	2,741	3,862	5,303	3,260	99,517
News service	99,113		31,616	36,362	28,531	2,604		32,033
NFCB Tradeshow & conventions	37,063		1,880				3,150	
Non-operating grant expenses	1,560		1,560					
Office expenses	93,520		10,519	31,123	9,615	16,166	5,134	20,963
Postage & shipping	61,957		7,149	17,657	4,205	7,802	8,758	16,386
Premiums/shipping & marathons	1,018,457		200,975	285,151	263,491	29,567	195,620	43,653
Presidential election/comm. hearings	109,809							109,809
Printing & publications	110,411		21,264	22,974	15,969	4,413	21,551	24,240
Programming services & expenses	568,152		98,444	116,077	151,820	52,758	84,943	64,110
Rent	807,719		15,649		554,404	31,330	147,322	59,014
Repairs & maintenance	295,715		57,134	109,809	44,170	2,292	45,323	36,987
Royalties	6,668							6,668
Satellite interconnect	88,995		21,526	13,488	16,190	7,296	8,569	21,926
Settlement fees	38,600							38,600
Storage	14,942			747	572		4,564	9,059
Subscriptions services	311,563		47,911	33,884	41,210	22,426	17,624	148,508
Tapes & supplies	110,123		5,704	12,061	19,897	625	503	71,333
Taxes (UBT & Property)	40,302		11,747	8,528	10,964	10,964	3,000	6,043
Telephone	407,062		85,321	90,842	103,583	18,208	57,527	51,581
Travel	134,327		29,467	27,850	9,050	7,979	4,196	55,785
Utilities	279,385		69,234	111,100	41,448	11,872	41,054	4,677
<b>TOTAL OTHER EXPENSES</b>	<b>7,760,802</b>		<b>1,107,329</b>	<b>1,340,789</b>	<b>1,719,167</b>	<b>423,302</b>	<b>906,576</b>	<b>2,283,639</b>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 15,119,876</b>		<b>\$ 3,109,539</b>	<b>\$ 2,692,807</b>	<b>\$ 3,271,527</b>	<b>\$ 996,635</b>	<b>\$ 1,461,504</b>	<b>\$ 3,587,864</b>

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, 2004

	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	National Division
<b>SALARIES AND RELATED EXPENSES</b>								
Salaries	\$ 3,005,821	\$	\$ 954,713	\$ 683,938	\$ 782,918	\$ 188,438	\$ 132,945	\$ 262,869
Payroll taxes	285,005		89,804	64,499	78,086	17,541	11,876	23,199
Employee benefits	538,176		176,073	92,004	137,135	41,821	34,941	56,202
Outside services	208,410		28,655	9,888	97,983	6,542	41,028	24,314
<b>TOTAL SALARIES &amp; RELATED EXPENSES</b>	<b>4,037,412</b>		<b>1,249,245</b>	<b>850,329</b>	<b>1,096,122</b>	<b>254,342</b>	<b>220,790</b>	<b>366,584</b>
<b>OTHER EXPENSES</b>								
Payroll service	11,554			793	9,293	1,229	573	11,554
Advertising & promotion	14,379							2,491
Apprenticeship program	43,825							43,825
Associations & periodicals	13,259		963	1,740	5,535	2,765	1,891	365
Board election expenses	206,571		42,295	37,854	49,357	22,771	42,075	12,219
Computer maintenance	62,489		657	13,366	29,393	1,173	2,739	15,161
Conferences & training	47,558		14,972	(43)	6,507	5,374	1,144	19,604
Democracy now	464,933			62,294	90,849	25,515	38,722	464,933
Depreciation & amortization	290,234							72,854
Documentary production	24,373			14,384	5,228	6,046	4,849	24,373
Equipment rental	34,359				809	739	0	3,852
Insurance	257,781							256,233
Legal and professional fees	641		641					
News service	99,113		31,616	36,362	28,531	2,604	0	872
Misc.	6,907		830	1,425	103	567	3,111	
NFCB Tradeshows & conventions	37,063			1,880			3,150	32,033
Non-operating grant expenses	1,560							
Office expenses	40,111							
Postage & shipping	27,568		2,251	19,489	6,599	7,068	1,796	5,159
Presidential election/comm. hearings	109,809			11,057	2,886	3,411	3,064	4,899
Printing & publications	90,313		1,166	22,974	15,969	4,413	21,551	109,809
Programming services	568,152		98,444	116,077	151,820	52,758	84,943	24,240
Rent	526,341		1,600		382,539	22,871	119,331	64,110
Repairs & maintenance	180,622		8,845	79,062	31,802	1,650	32,633	26,630
Royalties	6,668							6,668
Satellite interconnect	88,995		21,526	13,488	16,190	7,296	8,569	21,926
Subscriptions services	263,652			33,884	41,210	22,426	17,624	148,508
Tapes & supplies	110,025		5,606	12,061	19,897	625	503	71,333
Telephone	234,835		67,004	56,885	71,089	7,961	20,123	11,772
Travel	67,743		28,940		6,211	3,488	1,468	10,196
Utilities	204,533		40,688	93,325	28,599	8,667	33,254	
<b>TOTAL OTHER EXPENSES</b>	<b>4,135,966</b>		<b>369,604</b>	<b>645,797</b>	<b>1,000,416</b>	<b>211,417</b>	<b>443,113</b>	<b>1,465,619</b>
<b>TOTAL PROGRAM SERVICES EXPENSES</b>	<b>\$ 8,173,378</b>	<b>\$</b>	<b>\$ 1,618,849</b>	<b>\$ 1,496,126</b>	<b>\$ 2,096,538</b>	<b>\$ 465,759</b>	<b>\$ 663,903</b>	<b>\$ 1,832,203</b>

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, 2004

	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	National Division
<b>SALARIES AND RELATED EXPENSES</b>								
Salaries	\$ 1,708,270	\$	\$ 355,088	\$ 173,005	\$ 237,168	\$ 142,449	\$ 139,786	\$ 660,774
Payroll taxes	156,626		33,401	16,315	23,654	13,260	12,487	57,509
Employee benefits	321,531		65,487	23,274	41,542	31,617	36,740	122,871
Outside services	42,122		11,315					30,807
<b>TOTAL SALARIES &amp; RELATED EXPENSES</b>	<b>2,228,549</b>		<b>465,291</b>	<b>212,594</b>	<b>302,364</b>	<b>187,326</b>	<b>189,013</b>	<b>871,961</b>
<b>OTHER EXPENSES</b>								
Payroll service	8,087							8,087
Associations & periodicals	5,449		4,720					729
Audit and accounting fees	80,942				7,626			73,316
Bank charges	19,930		11,980					7,950
Brokers fee	8,881							8,881
Computer maintenance	102,559		31,612	3,381	8,904	887	2,880	54,895
Conferences & training	3,547		3,547					
Consulting fees	14,540			14,540				
Contributions	6,099				6,099			
Depreciation & amortization	182,433		87,070	20,488	29,850	8,384	12,723	23,938
Equipment rental	61,941		32,101	3,638	1,584	4,571	5,098	14,949
Insurance	51,936		1,546	172	158	144	0	49,916
Interest	9,616		6,531					3,085
Legal and professional fees	276,077		6,532	132,378	5,424	6,926	35,156	89,661
Moving expenses	8,758							8,758
Misc.	16,338		9,392	360	31	429	3,272	2,853
National board expenses	119,133		4,430	2,741	3,882	5,303	3,260	99,517
Office expenses	38,580		10,159	4,932	1,998	5,341	1,886	14,263
Postage & shipping	24,621		4,648	2,787	874	2,579	3,221	10,502
Premiums/shipping & marathons	457							
Printing & publications	6,837		6,837					
Rent	194,797		14,049		116,425	5,326	11,786	47,211
Repairs & maintenance	105,409		48,148	26,354	10,601	550	10,878	8,877
Settlement fees	38,600							38,600
Storage	14,942			747	572		4,564	9,059
Tapes & supplies	98							
Taxes (UBT & Property)	40,302		11,747	8,528		10,984	3,000	6,043
Telephone	112,530		13,645	14,389	21,535	6,018	21,158	35,786
Travel	51,493		423	4,411	1,881	2,637	1,543	40,598
Utilities	56,293		28,546	9,999	8,704	2,018	3,284	3,742
<b>TOTAL OTHER EXPENSES</b>	<b>1,661,223</b>		<b>338,218</b>	<b>249,835</b>	<b>226,148</b>	<b>62,097</b>	<b>123,709</b>	<b>661,216</b>
<b>TOTAL MGMT AND GENERAL EXPENSES</b>	<b>\$ 3,889,772</b>	<b>\$</b>	<b>\$ 803,509</b>	<b>\$ 462,429</b>	<b>\$ 528,512</b>	<b>\$ 249,423</b>	<b>\$ 312,722</b>	<b>\$ 1,533,177</b>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION  
SCHEDULE OF FUNCTIONAL EXPENSES-FUNDRAISING  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	National Division
<b>SALARIES AND RELATED EXPENSES</b>								
Salaries	\$ 846,309	\$	\$ 214,779	\$ 235,261	\$ 120,695	\$ 100,125	\$ 107,330	\$ 68,119
Payroll taxes	79,223		20,204	22,187	12,038	9,321	9,588	5,885
Employee benefits	154,501		39,611	31,647	21,141	22,219	28,207	11,676
Outside services	13,080		13,080					
<b>TOTAL SALARIES &amp; RELATED EXPENSES</b>	<b>1,093,113</b>		<b>287,674</b>	<b>289,095</b>	<b>153,874</b>	<b>131,665</b>	<b>145,125</b>	<b>85,680</b>
<b>OTHER EXPENSES</b>								
Payroll service	3,466							3,466
Associations & periodicals	847		725					122
Bank charges	25,630			3,981	8,387	7,939	5,323	
Computer maintenance	21,189		2,664	4,598	4,531	623	2,211	6,562
Credit card fees	285,215		76,851	39,507	83,722	53,771	27,675	3,689
Depreciation & amortization	29,023			6,229	9,085	2,552	3,872	7,285
Development expenses	32,513		1,050	3,881	16,863	7,789	459	2,471
Direct mail & telemarketing	184,005		44,713	37,440	8,725	26,847	51,258	15,022
Equipment rental	14,723		18	4,948	806	3,213	3,914	1,824
Folio expenses	32,853			10,690	22,163	0	0	
Insurance	26,781				84	77	0	26,620
Major gifts expense	10,237		6,169	0	0	1,046	3,022	
Misc.	3,649			490	16	301	2,512	330
National board expenses	100		100					
Office expenses	14,829		360	6,704	1,017	3,755	1,450	1,543
Postage & shipping	9,768		250	3,803	445	1,812	2,473	985
Premiums/shipping & marathons	1,018,000		200,518	285,151	263,491	29,567	195,620	43,653
Printing & publications	13,261		13,261					
Rent	86,581				55,440	3,133	16,205	11,803
Repairs & maintenance	9,686		141	4,392	1,767	92	1,813	1,480
Subscriptions services	47,911		47,911					
Telephone	59,697		4,672	19,567	10,959	4,230	16,246	4,023
Travel	15,091		104	5,999	957	1,854	1,185	4,992
Utilities	18,559			7,777	4,145	1,187	4,516	934
<b>TOTAL OTHER EXPENSES</b>	<b>1,963,613</b>		<b>399,507</b>	<b>445,157</b>	<b>492,603</b>	<b>149,788</b>	<b>339,754</b>	<b>136,804</b>
<b>TOTAL FUNDRAISING EXPENSES</b>	<b>\$ 3,056,726</b>	<b>\$</b>	<b>\$ 687,181</b>	<b>\$ 734,252</b>	<b>\$ 646,477</b>	<b>\$ 281,453</b>	<b>\$ 484,879</b>	<b>\$ 222,484</b>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION  
OTHER REVENUE BY DIVISION  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Totals	KPFA	KPFK	WBAI	KPFT	WPFW	National Division
OTHER REVENUE							
Tape sales (recorded programs)	\$ 248,916	\$	\$	\$	\$	\$	248,916
Rental of mailing lists	190						190
Rental of premises (net)	24,242	24,242					
Collections to defray election costs	34,533			34,533			
Other income	59,762	5,874	5,690	16,248	500	6,673	24,777
<b>TOTAL OTHER REVENUE</b>	<b>\$ 367,643</b>	<b>\$ 30,116</b>	<b>\$ 5,690</b>	<b>\$ 50,781</b>	<b>\$ 500</b>	<b>\$ 6,673</b>	<b>\$ 273,883</b>

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