
Pacifica Foundation

Financial Statements

September 30, 2008 and 2007

With

Report of Independent Auditors

Pacifica Foundation

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September 30, 2008

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Pacifica Foundation
Berkeley, California

We have audited the accompanying statement of financial position of Pacifica Foundation as of September 30, 2008, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of Pacifica Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Pacifica Foundation as of September 30, 2007 were audited by other auditors whose report dated January 14, 2008, expressed an unqualified opinion on those financial statements.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 2008 financial statements referred to above present fairly, in all material respects, the financial position of Pacifica Foundation as of September 30, 2008, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules listed in the preceding table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PMB Helin Donovan, LLP

San Francisco, California
February 1, 2009

Pacifica Foundation
Statements of Financial Position
As of September 30, 2008 and 2007

| | 2008 | 2007 |
|--|---------------|--------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,412,747 | \$ 2,186,980 |
| Restricted cash | 786,351 | 169,706 |
| Investments | 280,401 | 690,789 |
| Pledges and other receivables, current portion | 3,503,230 | 1,882,660 |
| Premium inventory | 254,929 | 131,127 |
| Prepaid expenses | 68,058 | 118,766 |
| Total current assets | 6,305,716 | 5,180,028 |
| Pledges receivable, long-term portion | 565,722 | - |
| Property and equipment, net | 3,300,594 | 3,368,970 |
| Intangibles and other assets | 57,050 | 64,850 |
| Total assets | \$ 10,229,082 | \$ 8,613,848 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 827,936 | \$ 555,691 |
| Advances under line of credit | 300,000 | 7,214 |
| Current portion of lease payable | 5,266 | 17,116 |
| Other payables and accruals | 174,073 | 205,523 |
| Accrued vacation | 380,159 | 362,140 |
| Total current liabilities | 1,687,434 | 1,147,684 |
| Lease payable, long term | 6,583 | - |
| Total liabilities | 1,694,017 | 1,147,684 |
| Net assets | | |
| Unrestricted net assets | 6,343,882 | 6,303,524 |
| Temporarily restricted net assets | 1,125,128 | 96,585 |
| Permanently restricted net assets | 1,066,055 | 1,066,055 |
| Total net assets | 8,535,065 | 7,466,164 |
| Total net assets and liabilities | \$ 10,229,082 | \$ 8,613,848 |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Statements of Activities
For the Years Ended September 30, 2008 and 2007

| | 2008 | | | | 2007 | | | |
|---------------------------------------|---------------|------------------------|------------------------|---------------|---------------|------------------------|------------------------|---------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Revenue and support | | | | | | | | |
| Listener support/donations | \$ 13,603,287 | \$ - | \$ - | \$ 13,603,287 | \$ 13,676,715 | \$ - | \$ - | \$ 13,676,715 |
| Grants | 1,282,341 | 1,563,607 | - | 2,845,948 | 1,319,150 | 684,231 | - | 2,003,381 |
| Community events | 762,007 | - | - | 762,007 | 577,744 | - | - | 577,744 |
| SCA income | 149,000 | - | - | 149,000 | 246,000 | - | - | 246,000 |
| Other revenue | 374,375 | - | - | 374,375 | 328,352 | - | - | 328,352 |
| Investment income | 96,524 | - | - | 96,524 | 131,463 | - | - | 131,463 |
| Net assets released from restrictions | 535,064 | (535,064) | - | - | 692,804 | (692,804) | - | - |
| Total revenue and support | 16,802,598 | 1,028,543 | - | 17,831,141 | 16,972,228 | (8,573) | - | 16,963,655 |
| Expenses | | | | | | | | |
| Program services | 8,595,780 | - | - | 8,595,780 | 8,267,176 | - | - | 8,267,176 |
| Management and general | 4,356,830 | - | - | 4,356,830 | 4,861,172 | - | - | 4,861,172 |
| Fundraising and development | 3,809,630 | - | - | 3,809,630 | 4,053,155 | - | - | 4,053,155 |
| Total expenses | 16,762,240 | - | - | 16,762,240 | 17,181,503 | - | - | 17,181,503 |
| Changes in net assets | 40,358 | 1,028,543 | - | 1,068,901 | (209,275) | (8,573) | - | (217,848) |
| Net assets, beginning of year | 6,303,524 | 96,585 | 1,066,055 | 7,466,164 | 6,512,799 | 105,158 | 1,066,055 | 7,684,012 |
| Net assets, end of year | \$ 6,343,882 | \$ 1,125,128 | \$ 1,066,055 | \$ 8,535,065 | \$ 6,303,524 | \$ 96,585 | \$ 1,066,055 | \$ 7,466,164 |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Statements of Cash Flows
For the Years ended September 30, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Changes in net assets | \$ 1,068,901 | \$ (217,848) |
| Adjustments to reconcile decrease in net assets to net cash provided / (used) by operating activities: | | |
| Contributions restricted for non-operating use | (1,009,072) | (30,000) |
| Depreciation | 341,780 | 373,052 |
| Realized / Unrealized investment gains | 52,953 | 46,089 |
| Changes in operating assets and liabilities | | |
| Pledges and grants receivable | (2,186,292) | (173,705) |
| Bequest and endowment receivable | - | 173,032 |
| Prepaid expenses and other current assets | 50,708 | 137,632 |
| Premium Inventory | (123,802) | (10,433) |
| Intangibles and other assets | 7,800 | (9,048) |
| Accounts payable and accrued liabilities | 272,245 | 256,633 |
| Accrued vacation | 18,019 | - |
| Other accounts payable and accruals | (31,450) | - |
| Net cash provided / (used) by operating activities | <u>(1,538,210)</u> | <u>545,404</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (274,746) | (311,342) |
| Purchases of investments | (319,737) | (220,813) |
| Proceeds from sale of property and equipment | 2,672 | - |
| Sales of investments | 675,842 | - |
| Net cash provided / (used) by investing activities | <u>84,031</u> | <u>(532,155)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipt of funds restricted for capital projects | 1,009,072 | 30,000 |
| Advances/(payments) on short-term line of credit | 300,000 | - |
| Payments on capital leases | (5,267) | - |
| Payments made on note payable | (7,214) | - |
| Net cash provided by financing activities | <u>1,296,591</u> | <u>30,000</u> |
| Net (decrease) / increase in cash and cash equivalents | (157,588) | 43,249 |
| Cash and cash equivalents, beginning of year | <u>2,356,686</u> | <u>2,313,437</u> |
| Total cash and cash equivalents, end of year | <u>\$ 2,199,098</u> | <u>\$ 2,356,686</u> |
| Reconciliation of cash and cash equivalents to statements of net assets: | | |
| Cash and cash equivalents | 1,412,747 | 2,186,980 |
| Restricted cash | 786,351 | 169,706 |
| Total cash and cash equivalents, end of year | <u>\$ 2,199,098</u> | <u>\$ 2,356,686</u> |
| SUPPLEMENTAL INFORMATION | | |
| Cash paid for interest | <u>\$ 6,938</u> | <u>\$ 11,820</u> |
| Income taxes paid | <u>\$ -</u> | <u>\$ 1,442</u> |

The accompanying notes are an integral part of these financial statements

Pacific Foundation
Statement of Functional Expenses
For the Year Ended September 30, 2008
(With Combined Comparative Totals for 2007)

| Expenses | Program Services | Management and General | Fundraising and Development | 2008 Total | 2007 Total |
|-------------------------------|---------------------|---------------------------|--------------------------------|----------------------|----------------------|
| Personnel costs | \$ 5,225,802 | \$ 2,199,231 | \$ 1,282,812 | \$ 8,707,845 | \$ 8,512,925 |
| Advertising and promotion | - | 1,493 | 17,578 | 19,071 | 21,559 |
| Association and periodicals | 1,956 | 9,765 | 12,858 | 24,579 | 33,544 |
| Bank charges | - | 44,455 | 225,835 | 270,290 | 30,710 |
| Board expense | - | 377,902 | 75 | 377,977 | 383,951 |
| Communications expense | 345,534 | 130,747 | 52,672 | 528,953 | 453,844 |
| Community events | 191 | - | 453,046 | 453,237 | 215,765 |
| Computer maintenance | 29,646 | 154,433 | 12,467 | 196,546 | 231,274 |
| Depreciation and amortization | 196,821 | 144,959 | - | 341,780 | 373,052 |
| Development expenses | - | - | 22,130 | 22,130 | 32,907 |
| Direct mail/Telemarketing | 26,305 | 1,216 | 466,449 | 493,970 | 958,331 |
| Equipment rental | 3,212 | 66,611 | 7,707 | 77,530 | 91,907 |
| Folio expenses | - | 1,587 | - | 1,587 | 1,668 |
| Fulfillment | 10 | 24 | 995,342 | 995,376 | 1,099,429 |
| Income tax expense | - | - | - | - | 1,442 |
| Insurance expense | 150 | 222,260 | - | 222,410 | 508,012 |
| Major gifts expense | - | - | 20,059 | 20,059 | 39,006 |
| Miscellaneous | 3,770 | 50,755 | 100 | 54,625 | 37,647 |
| Moving expenses | - | - | - | - | 7,801 |
| News services | 142,094 | 1,352 | 265 | 143,711 | 144,473 |
| NFCB convention expenses | - | - | - | - | 31,772 |
| Non-operating grant expenses | 1,403 | - | - | 1,403 | 7,617 |
| Occupancy | 702,595 | 136,331 | 79,049 | 917,975 | 806,522 |
| Office expenses | 4,829 | 103,426 | 89,360 | 197,615 | 267,672 |
| Professional fees | 96,972 | 486,797 | 5,018 | 588,787 | 508,842 |
| Programming costs | 1,249,676 | - | - | 1,249,676 | 1,338,076 |
| Property taxes | - | 182 | - | 182 | 12,108 |
| Repairs and Maintenance | 103,082 | 122,149 | 5,254 | 230,485 | 236,392 |
| Settlement fees | - | - | - | - | 150,000 |
| State filing fee | 3,564 | 14,644 | 491 | 18,699 | 12,722 |
| Tapes and Supplies | 91,024 | 1,641 | 25,867 | 118,532 | 72,460 |
| Training expenses | 29,016 | 15,782 | 2,488 | 47,286 | 52,504 |
| Travel | 22,560 | 22,615 | 628 | 45,803 | 62,931 |
| Utilities | 315,568 | 46,473 | 32,080 | 394,121 | 442,638 |
| Total expenses | <u>\$ 8,595,780</u> | <u>\$ 4,356,830</u> | <u>\$ 3,809,630</u> | <u>\$ 16,762,240</u> | <u>\$ 17,181,503</u> |

The accompanying notes are an integral part of these financial statements

Pacific Foundation
Statement of Functional Expenses
For the Year Ended September 30, 2007

| | Program Services | Management and General | Fundraising and Development | Total |
|-------------------------------|---------------------|---------------------------|--------------------------------|----------------------|
| Expenses | | | | |
| Personnel Costs | \$ 4,660,535 | \$ 2,603,627 | \$ 1,248,763 | \$ 8,512,925 |
| Advertising and Promotion | - | - | 21,559 | 21,559 |
| Association and Periodicals | 5,620 | 11,651 | 16,273 | 33,544 |
| Bank Charges | 400 | 30,310 | - | 30,710 |
| Board expense | 17,826 | 365,975 | 150 | 383,951 |
| Communication expense | 295,543 | 101,893 | 56,408 | 453,844 |
| Community events | 215,765 | - | - | 215,765 |
| Computer Maintenance | 45,829 | 143,483 | 41,962 | 231,274 |
| Depreciation and Amortization | 177,789 | 195,263 | - | 373,052 |
| Development Expenses | - | - | 32,907 | 32,907 |
| Direct mail/Telemarketing | - | - | 958,331 | 958,331 |
| Equipment Rental | 300 | 90,128 | 1,479 | 91,907 |
| Folio Expenses | - | 1,668 | - | 1,668 |
| Fulfillment | - | - | 1,099,429 | 1,099,429 |
| Income Tax Expense | - | 1,442 | - | 1,442 |
| Insurance Expenses | 14,000 | 239,221 | 254,791 | 508,012 |
| Major Gifts Expenses | - | 175 | 38,831 | 39,006 |
| Miscellaneous | 4,804 | 32,497 | 346 | 37,647 |
| Moving Expenses | 3,000 | 4,801 | - | 7,801 |
| News Services | 144,473 | - | - | 144,473 |
| NFCB Convention Expenses | 23,511 | 6,955 | 1,306 | 31,772 |
| Non-operating Grant Expenses | 2,222 | 1,746 | 3,649 | 7,617 |
| Occupancy | 634,940 | 98,021 | 73,561 | 806,522 |
| Office Expenses | 13,980 | 127,110 | 126,582 | 267,672 |
| Professional expense | 99,655 | 401,386 | 7,801 | 508,842 |
| Programming costs | 1,338,076 | - | - | 1,338,076 |
| Property Tax | - | 12,108 | - | 12,108 |
| Repairs and maintenance | 105,030 | 126,109 | 5,253 | 236,392 |
| Settlement fees | - | 150,000 | - | 150,000 |
| State Filing Fee | - | 9,079 | 3,643 | 12,722 |
| Tapes and supplies | 54,491 | 1,922 | 16,047 | 72,460 |
| Training | 27,307 | 18,775 | 6,422 | 52,504 |
| Travel | 22,238 | 39,281 | 1,412 | 62,931 |
| Utilities | 359,842 | 46,546 | 36,250 | 442,638 |
| Total expenses | \$ <u>8,267,176</u> | \$ <u>4,861,172</u> | \$ <u>4,053,155</u> | \$ <u>17,181,503</u> |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation

Notes to the Financial Statements

September 30, 2008

1 – Organization

Pacifica Foundation (The Foundation) was incorporated under the Nonprofit Corporation Law of the State of California on August 24, 1946 and was recognized as a tax exempt organization on August 16, 1950 under section 101 (c) of the 1939 Internal Revenue Code which now corresponds with the IRC 501 (c) (3) as a public charity. Pacifica 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 approximately 125 affiliated non-commercial radio stations.

The financial statements include the operations of the following divisions:

Radio Station-KPFA-Berkeley, California
Radio Station-KPFB-Los Angeles, California
Radio Station-KPFT-Houston, Texas
Radio Station-WBAI-New York, New York
Radio Station-WPFW-Washington, D.C.
Radio Station-National Division (National Office & Pacifica Radio Archives)

All significant inter-division accounts have been eliminated.

2 – Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles as prescribed by Statement of Financial Accounting Standards (SFAS) No. 117, “*Financial Statements of Not-For-Profit Organizations* (amended)”. Under the provisions of SFAS No. 117, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of The Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions, but may be designated for specific purposes by action of the Board of Directors or otherwise limited by contractual arrangements with outside parties.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

2 - Summary of Significant Accounting Policies - continued

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that can be fulfilled either by actions of The Foundation pursuant to those stipulations and/or expire with the passage of time.

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that The Foundation maintains. Generally, the donors of these assets permit The Foundation to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Restricted Grants and Contributions - Grant awards require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Foundation deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Foundation to the provisions of the grants. Pacifica's management is of the opinion that the Foundation has complied with the terms and conditions of all the grants.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents are defined as demand deposits at banks and certificates of deposit with purchased maturities of less than ninety days.

Allowance for Doubtful Accounts

Pacifica reviews accounts receivable on a periodic basis and reserves against estimated uncollectible amounts as necessary. Management believes that all of its accounts are collectible; accordingly, no allowance for doubtful accounts is required at either September 30, 2008 or 2007.

Premium Inventory

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

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

2 - Summary of Significant Accounting Policies - continued

Revenue Recognition

Contribution revenue is recognized when the donor makes a promise to give that is, in substance, unconditional. Grant revenue is recognized as earned as expenses are incurred. Contributions of assets other than cash are recorded at fair value at the date of donation. In accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

All unconditional promises to give, which are expected to be received beyond one year, are discounted to their net present value.

Donated Facilities and Services

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Donated services are recognized as contributions in accordance with SFAS No. 116, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by The Foundation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between fund-raising, management and general expense or the appropriate program based on evaluations of the related benefits and actual hours. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

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. Significant estimates include the collectability of accounts receivable; depreciation and amortization, accrued liabilities, and the allocation of functional expenses.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

2 - Summary of Significant Accounting Policies - continued

Property and Equipment

Property and equipment purchased is recorded at cost. Assets acquired by contribution or bequest are stated at fair value at the date of acquisition. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements. Maintenance and repairs are charged to expense as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related depreciation are removed from the accounts and any gain or loss is included in operations. Pacifica capitalizes all property and equipment acquisitions in excess of \$1,000.

The estimated useful lives of computer software, property and equipment are principally as follows:

| | |
|-----------------------------------|-------------|
| Office and computer equipment | 5 years |
| Technical equipment | 10 years |
| Furniture and fixtures | 10 years |
| Transmitter and antenna equipment | 10-20 years |
| Buildings | 30 years |

Intangible Assets

Pacifica owns the broadcasting licenses of all five stations, four of which were acquired at no cost. The cost of the fifth license (WPFW) was being amortized on a straight line method over 20 years from the date of acquisition (1977). That license was fully amortized as of September 30, 1997 and, as such, no amortization was charged to operations in either 2008 or 2007.

Compensated Absences

The Foundation accrues a liability for vested vacations to which employees are entitled depending on the length of service and other factors. The accompanying financial statements include accrued vacation benefits of \$380,159 and \$362,140 for the years ended September 30, 2008 and 2007, respectively.

Fair Value of Financial Instruments

The carrying value of certain financial instruments, including accounts receivable, accounts payable and accrued liabilities, approximates fair value due to the short maturities of these instruments.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

2 - Summary of Significant Accounting Policies - continued

Income Taxes

The Organization was incorporated under the laws of the State of California and granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and by the California Franchise Tax Board under Section 23701(d) of the Revenue and Taxation Code. Accordingly, no provision for income taxes has been included in these financial statements.

3 – Property and Equipment

The following is a summary of property and equipment at cost less accumulated depreciation, on September 30:

| | <u>2008</u> | <u>2007</u> |
|--------------------------------|---------------------|---------------------|
| Land | \$ 632,428 | \$ 632,428 |
| Buildings and improvements | 3,064,540 | 3,060,951 |
| Leasehold improvements | 733,673 | 733,673 |
| Fixtures and furniture | 359,504 | 336,875 |
| Equipment | <u>8,268,462</u> | <u>8,022,609</u> |
| Total | 13,058,607 | 12,786,536 |
| Less: accumulated depreciation | <u>(9,758,013)</u> | <u>(9,417,566)</u> |
| Total | <u>\$ 3,300,594</u> | <u>\$ 3,368,970</u> |

Depreciation and amortization of property and equipment and software amounted to \$341,780 and \$373,052 for the fiscal years ended September 30, 2008 and 2007, respectively.

Included in the property and equipment held at September 30, 2008 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.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

3 – Property and Equipment - continued

At September 30, 2008 the following assets were subject to the federal ten-year periods:

| | Historical Costs | End of 10-year Period |
|-------|---------------------|--------------------------|
| KPFA | \$ 73,326 | 2013 |
| KPFT | 19,100 | 2016 |
| KPFK | 159,810 | 2012 |
| WBAI | 38,966 | 2010 |
| WPFW | 125,500 | 2012 |
| Total | \$ <u>416,702</u> | |

4 – Temporarily Restricted Net Assets

Temporarily restricted net assets were available as follows on September 30:

| | 2008 | 2007 |
|-------------------------------------|---------------------|------------------|
| Building fund for NY station | \$ 50,800 | \$ 30,000 |
| Grant for environmental justice | 22,882 | 11,752 |
| Radio archives project | - | 2,743 |
| Public awareness on the environment | 6,217 | 20,536 |
| Preservation of old program tapes | 16,957 | 31,554 |
| Digital conversion grants | 40,000 | - |
| Technical equipment acquisition | 23,000 | - |
| Grant for dedicated building | 965,272 | - |
| Total | \$ <u>1,125,128</u> | \$ <u>96,585</u> |

Temporarily restricted net assets that were released from donor restriction by incurring expenses satisfying the purposes specified by donors are noted as follows for the years ended September 30:

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

4 – Temporarily Restricted Net Assets - continued

| | 2008 | 2007 |
|-------------------------------------|-------------|-------------|
| Grant for environmental justice | \$ 13,870 | \$ 13,248 |
| Radio archives project | 2,743 | 12,257 |
| Public awareness on the environment | 48,006 | 49,464 |
| Preservation of old program tapes | 14,597 | 4,000 |
| Grant for dedicated building | 34,728 | - |
| Program production and acquisition | 421,120 | 491,677 |
| Other | - | 122,158 |
| | <hr/> | <hr/> |
| Total | \$ 535,064 | \$ 692,804 |
| | <hr/> <hr/> | <hr/> <hr/> |

5 – Restricted Cash

Restricted cash primarily represents funds in the form of a certificate of deposit securing the Foundation’s line of credit with the bank.

6 – Line Of Credit

The Foundation has a secured line of credit agreement with Wells Fargo Bank that expires on August 1, 2009. The line allows for total borrowings of up to \$300,000 at a per annum rate of 1.0% above the bank prime rate. There was a balance of \$300,000 outstanding at September 30, 2008. The line of credit is secured by a certificate of deposit held by the bank. Interest expense in 2008 and 2007 amounted to \$6,938 and \$11,820, respectively.

7 – Concentration of Credit Risk

Cash

Pacifica maintains deposits in excess of the federally insured limits. Statement of Financial Accounting Standards (SFAS) No. 133, “*Accounting for Derivative Instruments and Hedging Activities*” identifies these items as concentration of credit risk requiring disclosure regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

The Foundation maintains its bank accounts at five financial institutions. Accounts at each of these institutions are insured by the FDIC up to \$100,000 per account. Amounts in excess of the insured limits totaled \$1,521,005 and \$2,187,356 on September 30, 2008 and 2007, respectively.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

8 – Investments

Investments are stated at fair value. At September 30 these consisted of:

| | 2008 | | 2007 | |
|---------------|------------|------------|------------|------------|
| | Cost | Fair | Cost | Fair |
| Money Market | \$ - | \$ - | \$ 28,397 | \$ 28,397 |
| Mutual Funds | 13,816 | 12,117 | 11,948 | 15,454 |
| CD | 25,000 | 24,938 | 75,408 | 75,384 |
| US Treasuries | 95,068 | 92,900 | 149,852 | 150,265 |
| Equities | 156,786 | 150,446 | 357,542 | 421,289 |
| Total | \$ 290,670 | \$ 280,401 | \$ 623,147 | \$ 690,789 |

Investment income for the years ended September 30, 2008 and 2007 was comprised of the following:

| | 2008 | 2007 |
|----------------------------------|------------|------------|
| Interest and dividends | \$ 149,477 | \$ 85,374 |
| Realized/ unrealized gain (loss) | (52,953) | 46,089 |
| Net investment income | \$ 96,524 | \$ 131,463 |

9 – Lease Commitments

The Organization is obligated under several operating leases for office space, studio and radio tower equipment. The leases expire through September 30, 2013.

Future minimum lease payments under all these lease agreements as of September 30, 2008 are as follows:

| Year ending September 30 | Radio Tower | Studio and Office | Total |
|--------------------------|--------------|-------------------|--------------|
| 2009 | \$ 360,634 | \$ 458,869 | \$ 819,503 |
| 2010 | 351,106 | 375,127 | 726,233 |
| 2011 | 375,277 | 351,349 | 726,626 |
| 2012 | 370,047 | 351,349 | 721,396 |
| 2013 | 380,269 | 115,116 | 495,385 |
| Thereafter | 3,676,412 | 73,130 | 3,749,542 |
| Total | \$ 5,513,745 | \$ 1,724,940 | \$ 7,238,685 |

Rent expense under these lease agreements for the fiscal years ended September 30, 2008 and 2007 amounted to approximately \$894,798 and \$784,767, respectively.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

10 – Pension Plan

Pacifica Foundation has a defined contribution retirement plan (“the Plan”) as established under Internal Revenue Code Section 403(b). Anyone employed by the Foundation on September 30th is eligible for participation in the Plan. For each Plan year, the Board of Directors determines the amount to be contributed to the Plan. Total contributions made by the Organization to the Plan amounted to \$178,250 and \$233,470 for the fiscal years ended September 30, 2008 and 2007, respectively.

11 – Pledges Receivable

In 2008, the Organization was the recipient of a \$1,000,000 matching challenge grant to be paid over a five year period beginning in December 2007. Because Pacifica has successfully raised the matching funds, the grant has been recorded as a temporarily restricted net asset. That portion of the grant not expected to be paid within one year has been discounted to a net present value using a discount rate of 3.00%. Grants are expected to be received according to the following schedule.

| Year Ended September 30 | 2008 |
|--------------------------|-------------------|
| 2009 | \$ 240,000 |
| 2010 | 200,000 |
| 2011 | 200,000 |
| 2012 | 200,000 |
| Total pledges receivable | 840,000 |
| Present value discount | (34,278) |
| Pledges receivable, net | 805,722 |
| Less current portion | (240,000) |
| Long-term portion | \$ <u>565,722</u> |

Pacifica Foundation
Notes to the Financial Statements
September 30, 2008

12 – Charitable Remainder Trusts

In December 1990, Pacifica was named principal beneficiary of the Lutz Charitable Remainder Trust. The terms of the trust calls for monthly payments to named beneficiaries. Required monthly payment 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 trust's assets. Upon expiration of the trust term of twenty years, or if earlier upon the death of the last income beneficiary, trust's assets revert to Pacifica Foundation. The market value of these trust assets at September 30, 2008 and 2007 were \$122,972 and \$159,045, respectively.

Pacifica is also the trust beneficiary of the Pacifica Foundation Pooled Income Trust Fund, which holds funds for various income beneficiaries. The market value of these trust assets at September 30, 2008 and 2007 were \$135,041 and \$154,211, respectively.

13 – Pending Legal Matters

Commitments and Contingencies

The Foundation is a defendant in several lawsuits. Management believes that these suits are without merit and intends to vigorously defend its position. Although it is reasonably possible, management believes it is unlikely that the resolutions, claims and pending litigation will 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

The Foundation's communications attorneys have advised management that they are not aware of any pending or threatened litigation, claims, or assessments, except for a possible FCC investigation of obscenity complaints related to WBAI in 2005 which is not expected by management to result in any materially significant sanctions or fines.

Pacifica Foundation
Combining Statement of Financial Position
As of September 30, 2008

| | TOTALS | Elimination | KPFA | KPFK | KPFT | WBAI | WPFW | National Division | PRA |
|---|----------------------|-----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|----------------------|------------------|
| Assets | | | | | | | | | |
| Current assets | | | | | | | | | |
| Cash and cash equivalents | \$ 1,412,747 | \$ - | \$ 602,502 | \$ 19,908 | \$ 223,288 | \$ 145,526 | \$ 255,404 | \$ 143,636 | \$ 22,483 |
| Restricted cash | 786,351 | - | 400,000 | - | 23,000 | 100,800 | 240,000 | - | 22,551 |
| Investments | 280,401 | - | 15,886 | 14,477 | - | 1,089 | 3,048 | 245,901 | - |
| Pledges and other receivables, current | 3,503,230 | - | 1,069,619 | 628,674 | 152,196 | 723,005 | 470,266 | 455,521 | 3,949 |
| Premium inventory | 254,929 | - | 6,627 | 144,847 | 27,210 | 42,153 | 34,092 | - | - |
| Inter-stations receivables | - | (4,412,572) | 1,484,478 | 172,468 | - | - | 75,947 | 2,679,679 | - |
| Prepaid expenses | 68,058 | - | 36,855 | 13,410 | 3,753 | 2,576 | - | 11,464 | - |
| Total current assets | <u>6,305,716</u> | <u>(4,412,572)</u> | <u>3,615,967</u> | <u>993,784</u> | <u>429,447</u> | <u>1,015,149</u> | <u>1,078,757</u> | <u>3,536,201</u> | <u>48,983</u> |
| Pledges receivable-long-term portion | 565,722 | - | - | - | - | - | 565,722 | - | - |
| Property and equipment, net of accumulated depreciation | 3,300,594 | - | 1,836,746 | 841,929 | 328,198 | 47,349 | 48,060 | 162,695 | 35,617 |
| Intangibles and other assets | 57,050 | - | - | - | - | 42,701 | 14,349 | - | - |
| Total assets | <u>\$ 10,229,082</u> | <u>\$ (4,412,572)</u> | <u>\$ 5,452,713</u> | <u>\$ 1,835,713</u> | <u>\$ 757,645</u> | <u>\$ 1,105,199</u> | <u>\$ 1,706,888</u> | <u>\$ 3,698,896</u> | <u>\$ 84,600</u> |
| Liabilities and net assets | | | | | | | | | |
| Current liabilities | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 827,936 | \$ - | \$ 43,917 | \$ 112,137 | \$ 8,336 | \$ 218,575 | \$ 29,318 | \$ 409,467 | \$ 6,186 |
| Advances under line of credit | 300,000 | - | - | - | - | - | - | 300,000 | - |
| Current portion of lease payable | 5,266 | - | - | 5,266 | - | - | - | - | - |
| Other payables and accruals | 174,073 | - | 42,045 | 23,478 | 7,285 | 66,520 | 9,599 | 19,988 | 5,158 |
| Accrued vacation | 380,159 | - | 132,219 | 93,198 | 19,849 | 33,291 | 40,881 | 38,919 | 21,802 |
| Inter-stations payables | - | (4,412,572) | 360,451 | 459,191 | 441,301 | 991,706 | 465,555 | 698,948 | 995,420 |
| Total current liabilities | <u>1,687,434</u> | <u>(4,412,572)</u> | <u>578,632</u> | <u>693,270</u> | <u>476,771</u> | <u>1,310,092</u> | <u>545,353</u> | <u>1,467,322</u> | <u>1,028,566</u> |
| Long-term liabilities | | | | | | | | | |
| Lease payable, long term | 6,583 | - | - | 6,583 | - | - | - | - | - |
| Total Long-term liabilities | <u>6,583</u> | <u>-</u> | <u>-</u> | <u>6,583</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>1,694,017</u> | <u>(4,412,572)</u> | <u>578,632</u> | <u>699,853</u> | <u>476,771</u> | <u>1,310,092</u> | <u>545,353</u> | <u>1,467,322</u> | <u>1,028,566</u> |
| Net assets | | | | | | | | | |
| Unrestricted | 6,343,882 | - | 4,344,982 | 1,115,860 | 257,874 | (255,693) | 156,263 | 1,685,519 | (960,923) |
| Temporarily restricted | 1,125,128 | - | 29,099 | - | 23,000 | 50,800 | 1,005,272 | - | 16,957 |
| Permanently restricted | 1,066,055 | - | 500,000 | 20,000 | - | - | - | 546,055 | - |
| Total net assets | <u>8,535,065</u> | <u>-</u> | <u>4,874,081</u> | <u>1,135,860</u> | <u>280,874</u> | <u>(204,893)</u> | <u>1,161,535</u> | <u>2,231,574</u> | <u>(943,966)</u> |
| Total liabilities & net assets | <u>\$ 10,229,082</u> | <u>\$ (4,412,572)</u> | <u>\$ 5,452,713</u> | <u>\$ 1,835,713</u> | <u>\$ 757,645</u> | <u>\$ 1,105,199</u> | <u>\$ 1,706,888</u> | <u>\$ 3,698,896</u> | <u>\$ 84,600</u> |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Statement of Activities by Division
For the Year ended September 30, 2008

| | Totals | Eliminations | KPFA | KPFK | KPFT | WBAI | WPFW | National Division |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| Statement of Activities | | | | | | | | |
| Unrestricted revenue & support | | | | | | | | |
| Listener supports / donations | \$ 13,603,287 | \$ - | \$ 3,638,298 | \$ 3,578,852 | \$ 1,110,865 | \$ 3,035,646 | \$ 1,747,459 | \$ 492,167 |
| Grants income | 1,282,342 | - | 390,101 | 291,881 | 112,301 | 291,139 | 188,176 | 8,743 |
| Community events | 762,006 | - | 232,533 | 70,218 | 33,690 | 217,112 | 195,495 | 12,959 |
| SCA income | 149,000 | - | - | - | - | - | - | 149,000 |
| Other income | 374,375 | - | 22,641 | 3,012 | 1,925 | 3,022 | - | 343,775 |
| Investment income | 96,524 | - | 79,512 | 501 | 866 | (3,277) | - | 18,922 |
| Central services | - | (2,451,274) | - | - | - | - | - | 2,451,274 |
| Net assets released from restrictions | 535,064 | - | 162,080 | 96,062 | 48,469 | 106,160 | 104,953 | 17,340 |
| Total unrestricted revenue & support | 16,802,598 | (2,451,274) | 4,525,165 | 4,040,526 | 1,308,116 | 3,649,802 | 2,236,083 | 3,494,180 |
| Expenses | | | | | | | | |
| Program services | 8,595,780 | - | 2,302,445 | 1,909,147 | 427,001 | 1,890,750 | 658,313 | 1,408,124 |
| Management and general | 4,356,830 | - | 543,583 | 631,641 | 361,507 | 684,561 | 522,571 | 1,612,967 |
| Fundraising and development | 3,809,630 | - | 852,314 | 891,599 | 334,115 | 621,322 | 835,766 | 274,514 |
| Central services | - | (2,451,274) | 674,093 | 653,329 | 205,736 | 579,259 | 338,857 | - |
| Total expenses | 16,762,240 | (2,451,274) | 4,372,435 | 4,085,716 | 1,328,359 | 3,775,892 | 2,355,507 | 3,295,605 |
| Increase (dec) in unrestricted net assets | 40,358 | - | 152,730 | (45,190) | (20,243) | (126,090) | (119,424) | 198,575 |
| Temporarily restricted net assets | | | | | | | | |
| Grants | 1,563,607 | - | 158,891 | 96,062 | 71,469 | 126,960 | 1,110,225 | - |
| Net Assets Released from Restrictions | (535,064) | - | (162,080) | (96,062) | (48,469) | (106,160) | (104,953) | (17,340) |
| Increase (dec) in temporarily restricted net assets | 1,028,543 | - | (3,189) | - | 23,000 | 20,800 | 1,005,272 | (17,340) |
| Change in permanently restricted net assets | | | | | | | | |
| Net assets-beginning of the year | 7,466,164 | - | 4,724,540 | 1,181,050 | 278,117 | (99,603) | 275,687 | 1,106,373 |
| Net assets-end of the year | \$ 8,535,065 | \$ - | \$ 4,874,081 | \$ 1,135,860 | \$ 280,874 | \$ (204,893) | \$ 1,161,535 | \$ 1,287,608 |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Statement of Functional Expenses by Division
For the Year Ended September 30, 2008

| | KPFA | KPFK | KPFT | WBAI | WPFW | National Division | PRA | Totals |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------------|----------------------|
| Functional Expenses | | | | | | | | |
| Personnel costs | \$ 2,424,060 | \$ 1,961,461 | \$ 589,338 | \$ 1,510,132 | \$ 765,087 | \$ 1,089,402 | \$ 368,365 | \$ 8,707,845 |
| Advertising and promotion | 6,860 | 5,072 | 1,493 | 3,935 | 482 | - | 1,229 | 19,071 |
| Association and periodicals | 5,629 | 9,644 | 4,251 | 150 | 354 | 4,104 | 447 | 24,579 |
| Bank charges | 58,044 | 76,848 | 38,980 | 47,567 | 36,418 | 9,639 | 2,794 | 270,290 |
| Board expense | 44,826 | 42,530 | 26,680 | 98,589 | 39,080 | 126,272 | - | 377,977 |
| Communications expense | 89,189 | 109,766 | 37,623 | 108,610 | 54,747 | 116,028 | 12,990 | 528,953 |
| Community events | 122,606 | 21,717 | 19,920 | 56,796 | 218,270 | 6,880 | 7,048 | 453,237 |
| Computer maintenance | 30,375 | 45,297 | 23,869 | 22,157 | 35,477 | 36,018 | 3,353 | 196,546 |
| Depreciation and amortization | 113,541 | 115,106 | 18,183 | 25,582 | 13,761 | 47,542 | 8,065 | 341,780 |
| Development expenses | 4,972 | 90 | 10,981 | 3,213 | - | 1,074 | 1,800 | 22,130 |
| Direct mail/Telemarketing | 99,636 | 85,086 | 83,278 | 52,751 | 83,348 | 89,871 | - | 493,970 |
| Equipment rental | 2,862 | 18,078 | 8,689 | 13,691 | 22,952 | 10,366 | 892 | 77,530 |
| Folio expenses | - | - | 1,587 | - | - | - | - | 1,587 |
| Fulfillment | 250,993 | 308,078 | 26,422 | 126,155 | 248,277 | 10 | 35,441 | 995,376 |
| Insurance expense | 9,400 | 14,012 | - | - | - | 198,998 | - | 222,410 |
| Major gifts expenses | 11,200 | - | 23 | 8,500 | 336 | - | - | 20,059 |
| Miscellaneous | 8,569 | 4,218 | 214 | 1,424 | 9,570 | 29,780 | 850 | 54,625 |
| News services | 35,832 | 78,283 | 2,078 | 25,518 | 2,000 | - | - | 143,711 |
| Non grant expenses | 1,403 | - | - | - | - | - | - | 1,403 |
| Occupancy | 1,440 | 11,762 | 43,467 | 662,575 | 187,550 | 4,341 | 6,840 | 917,975 |
| Office expenses | 25,884 | 44,123 | 36,507 | 21,276 | 31,185 | 30,734 | 7,906 | 197,615 |
| Professional fees | 35,014 | 144,680 | 26,208 | 100,918 | 27,615 | 232,837 | 21,515 | 588,787 |
| Programming expense | 148,715 | 134,305 | 92,969 | 148,265 | 93,340 | 622,232 | 9,850 | 1,249,676 |
| Property tax | - | - | 182 | - | - | - | - | 182 |
| Repairs and maintenance | 61,509 | 64,625 | 8,062 | 22,734 | 63,212 | 7,801 | 2,542 | 230,485 |
| Tapes and supplies | 2,523 | 10,614 | - | 6,821 | 739 | - | 97,835 | 118,532 |
| Taxes-state filing fees | 13,061 | 1,465 | 72 | - | - | 4,055 | 46 | 18,699 |
| Training expenses | 5,801 | 12,219 | 5,176 | 952 | 3,869 | 15,395 | 3,874 | 47,286 |
| Travel | 16,799 | 7,968 | 2,531 | 1,340 | 3,443 | 13,207 | 515 | 45,803 |
| Utilities-Office | 30,272 | 38,844 | 13,840 | 70,254 | 33,507 | 4,822 | - | 191,539 |
| Utilities-Tower | 37,327 | 66,496 | - | 56,728 | 42,031 | - | - | 202,582 |
| Total functional expenses | \$ <u>3,698,342</u> | \$ <u>3,432,387</u> | \$ <u>1,122,623</u> | \$ <u>3,196,633</u> | \$ <u>2,016,650</u> | \$ <u>2,701,408</u> | \$ <u>594,197</u> | \$ <u>16,762,240</u> |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Functional Expenses - Program Services
For the Year Ended September 30, 2008

| | KPFA | KPFK | KPFT | WBAI | WPFW | National Division | PRA | Total |
|-------------------------------|---------------------|------------------|----------------|------------------|----------------|----------------------|----------------|------------------|
| Program Services | | | | | | | | |
| Personnel costs | \$ 1,835,843 | 1,335,078 | 237,010 | 950,168 | 346,363 | 339,258 | 182,082 | 5,225,802 |
| Advertising and promotion | 23,561 | 2,192 | - | 552 | - | - | - | 26,305 |
| Association and periodicals | 1,460 | 496 | - | - | - | - | - | 1,956 |
| Communications | 60,220 | 81,161 | 19,035 | 67,361 | 22,283 | 89,494 | 6,003 | 345,557 |
| Community Events | - | - | - | 191 | - | - | - | 191 |
| Computer maintenance | 103 | 21,129 | 1,649 | 404 | - | 4,359 | 2,002 | 29,646 |
| Depreciation and Amortization | 78,845 | 72,126 | 16,493 | 12,242 | 9,050 | - | 8,065 | 196,821 |
| Equipment rental | - | 3,111 | - | - | 50 | 51 | - | 3,212 |
| Fulfillment | - | - | - | - | - | 10 | - | 10 |
| Insurance expenses | 150 | - | - | - | - | - | - | 150 |
| Miscellaneous | 1,731 | 200 | - | 1,315 | 583 | - | - | 3,829 |
| NFCB convention expenses | - | 2,721 | - | - | - | 7,866 | - | 10,587 |
| Non grant expenses | 1,403 | - | - | - | - | - | - | 1,403 |
| Occupancy | 1,440 | 8,284 | 43,217 | 550,635 | 98,996 | - | - | 702,572 |
| Office expenses | (525) | 3,702 | 959 | - | - | 693 | - | 4,829 |
| Professional fees | 14,460 | 6,000 | 6,585 | 10,691 | 2,294 | 56,942 | - | 96,972 |
| Programming costs | 184,282 | 212,588 | 94,077 | 173,401 | 95,340 | 622,232 | 9,850 | 1,391,770 |
| Repairs and maintenance | 17,344 | 43,973 | 100 | 16,653 | 23,404 | 1,027 | 581 | 103,082 |
| Tapes and supplies | 2,523 | 9,213 | - | 6,821 | 499 | - | 71,968 | 91,024 |
| Taxes - state filing fees | - | - | - | - | - | 3,505 | - | 3,505 |
| Training expenses | 4,051 | 8,682 | 1,277 | - | 2,342 | 2,077 | - | 18,429 |
| Travel | 15,885 | 5,581 | 1,063 | 31 | - | - | - | 22,560 |
| Utilities - Office | 22,401 | 26,414 | 5,536 | 43,557 | 15,078 | - | - | 112,986 |
| Utilities - Tower | 37,327 | 66,496 | - | 56,728 | 42,031 | - | - | 202,582 |
| Total Program Services | \$ 2,302,504 | 1,909,147 | 427,001 | 1,890,750 | 658,313 | 1,127,514 | 280,551 | 8,595,780 |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Functional Expenses - Management and General
For the Year Ended September 30, 2008

| | KPFA | KPFK | KPFT | WBAI | WPFW | National Division | PRA | Total |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|-------------------|---------------------|
| Management and General Expenses | | | | | | | | |
| Personnel costs | \$ 278,235 | \$ 275,698 | \$ 222,480 | \$ 334,382 | \$ 243,765 | \$ 669,811 | \$ 174,860 | \$ 2,199,231 |
| Advertising and promotion | - | - | 1,493 | - | - | - | - | 1,493 |
| Association and periodicals | 3,840 | 723 | 4,251 | 150 | 354 | - | 447 | 9,765 |
| Bank charges | 17,055 | 9,566 | 12,134 | (7,058) | 2,970 | 6,994 | 2,794 | 44,455 |
| Board expense | 44,826 | 42,530 | 26,680 | 98,514 | 39,080 | 126,272 | - | 377,902 |
| Communications expense | 25,930 | 12,513 | 12,209 | 24,981 | 21,634 | 26,534 | 6,946 | 130,747 |
| Computer maintenance | 24,132 | 23,556 | 22,220 | 17,305 | 35,477 | 30,971 | 772 | 154,433 |
| Depreciation and amortization | 34,696 | 42,980 | 1,690 | 13,340 | 4,711 | 47,542 | - | 144,959 |
| Direct mail/ Telemarketing | | | 746 | 470 | | | | 1,216 |
| Equipment rental | 2,862 | 7,260 | 8,689 | 13,691 | 22,902 | 10,315 | 892 | 66,611 |
| Folio expenses | - | - | 1,587 | - | - | - | - | 1,587 |
| Fulfillment | 24 | - | - | - | - | - | - | 24 |
| Insurance expense | 9,250 | 14,012 | - | - | - | 198,998 | - | 222,260 |
| Miscellaneous | 6,797 | 4,018 | 214 | 109 | 8,987 | 29,780 | 850 | 50,755 |
| News services | | | 970 | 382 | | | | 1,352 |
| Occupancy | - | 3,478 | 250 | 67,739 | 53,938 | 4,086 | 6,840 | 136,331 |
| Office expenses | 12,500 | 25,142 | 9,356 | 9,508 | 12,317 | 26,697 | 7,906 | 103,426 |
| Professional fees | 19,837 | 138,680 | 19,623 | 87,059 | 25,321 | 174,762 | 21,515 | 486,797 |
| Property tax | - | - | 182 | - | - | - | - | 182 |
| Repairs and maintenance | 44,165 | 20,023 | 7,962 | 6,081 | 35,183 | 6,774 | 1,961 | 122,149 |
| Tapes and supplies | - | 1,401 | - | - | 240 | - | - | 1,641 |
| Taxes - state filing fees | 13,061 | 1,465 | 72 | - | - | - | 46 | 14,644 |
| Training expenses | 1,556 | 816 | 1,833 | 952 | 1,527 | 5,224 | 3,874 | 15,782 |
| Travel | 882 | 2,342 | 1,468 | 798 | 3,443 | 13,167 | 515 | 22,615 |
| Utilities - Office | 3,935 | 5,438 | 5,398 | 16,158 | 10,722 | 4,822 | - | 46,473 |
| Total Management and General Expenses | \$ <u>543,583</u> | \$ <u>631,641</u> | \$ <u>361,507</u> | \$ <u>684,561</u> | \$ <u>522,571</u> | \$ <u>1,382,749</u> | \$ <u>230,218</u> | \$ <u>4,356,830</u> |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Functional Expenses - Fundraising and Development
For the Year Ended September 30, 2008

| | KPFA | KPFK | KPFT | WBAI | WPFW | National Division | PRA | TOTAL |
|--|------------|------------|------------|------------|------------|----------------------|-----------|--------------|
| Fundraising and Development Expenses | | | | | | | | |
| Personnel costs | \$ 309,982 | \$ 350,685 | \$ 129,848 | \$ 225,582 | \$ 174,959 | \$ 80,333 | \$ 11,423 | \$ 1,282,812 |
| Advertising and promotion | 6,860 | 5,072 | - | 3,935 | 482 | - | 1,229 | 17,578 |
| Association and periodicals | 329 | 8,425 | - | - | - | 4,104 | - | 12,858 |
| Bank charges | 40,989 | 67,282 | 26,846 | 54,625 | 33,448 | 2,645 | - | 225,835 |
| Board expense | - | - | - | 75 | - | - | - | 75 |
| Communications expense | 3,039 | 16,092 | 6,379 | 16,291 | 10,830 | - | 41 | 52,672 |
| Community Events | 122,606 | 21,717 | 19,920 | 56,605 | 218,270 | 6,880 | 7,048 | 453,046 |
| Computer maintenance | 6,140 | 612 | - | 4,448 | - | 688 | 579 | 12,467 |
| Development expenses | 4,972 | 90 | 10,981 | 3,213 | - | 1,074 | 1,800 | 22,130 |
| Direct mail/ Telemarketing | 76,075 | 82,894 | 82,532 | 51,729 | 83,348 | 89,871 | - | 466,449 |
| Equipment rental | - | 7,707 | - | - | - | - | - | 7,707 |
| Fulfillment | 250,969 | 308,078 | 26,422 | 126,155 | 248,277 | - | 35,441 | 995,342 |
| Major gift expense | 11,200 | - | 23 | 8,500 | 336 | - | - | 20,059 |
| Miscellaneous | 100 | - | - | - | - | - | - | 100 |
| News services | 265 | - | - | - | - | - | - | 265 |
| Occupancy | - | - | - | 44,178 | 34,616 | 255 | - | 79,049 |
| Office expenses | 13,909 | 15,279 | 26,192 | 11,768 | 18,868 | 3,344 | - | 89,360 |
| Professional fees | 717 | - | - | 3,168 | - | 1,133 | - | 5,018 |
| Repairs and maintenance | - | 629 | - | - | 4,625 | - | - | 5,254 |
| Tapes and supplies | - | - | - | - | - | - | 25,867 | 25,867 |
| Taxes-state filing fees | - | - | - | - | - | 491 | - | 491 |
| Training expenses | 194 | - | 2,066 | - | - | 228 | - | 2,488 |
| Travel | 32 | 45 | - | 511 | - | 40 | - | 628 |
| Utilities - Office | 3,936 | 6,992 | 2,906 | 10,539 | 7,707 | - | - | 32,080 |
| Total Fundraising and Development Expenses | \$ 852,314 | \$ 891,599 | \$ 334,115 | \$ 621,322 | \$ 835,766 | \$ 191,086 | \$ 83,428 | \$ 3,809,630 |

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Other Revenue by Division
For the Year Ended September 30, 2008

| | <u>Totals</u> | <u>KPFA</u> | <u>KPFK</u> | <u>KPFT</u> | <u>WBAI</u> | <u>WPFW</u> | <u>National Division</u> |
|-------------------------------------|-------------------|------------------|-----------------|------------------|-------------------|------------------|------------------------------|
| Other Revenue | | | | | | | |
| Tape sales | \$ 97,190 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 97,190 |
| Mailing / lists rental | 26,773 | - | - | - | - | - | 26,773 |
| Affiliates income | 219,812 | - | - | - | - | - | 219,812 |
| Gain on disposition of assets | 1,000 | - | - | 1,000 | - | - | - |
| Miscellaneous income | 29,600 | 22,641 | 3,012 | 925 | 3,022 | - | - |
| Total | <u>\$ 374,375</u> | <u>\$ 22,641</u> | <u>\$ 3,012</u> | <u>\$ 1,925</u> | <u>\$ 3,022</u> | <u>\$ -</u> | <u>\$ 343,775</u> |
| Investment Income | | | | | | | |
| Interest income | \$ 149,477 | \$ 79,512 | \$ 3,838 | \$ 866 | \$ - | \$ - | \$ 65,261 |
| Realized/unrealized loss | (52,953) | - | (3,337) | - | (3,277) | - | (46,339) |
| Total | <u>\$ 96,524</u> | <u>\$ 79,512</u> | <u>\$ 501</u> | <u>\$ 866</u> | <u>\$ (3,277)</u> | <u>\$ -</u> | <u>\$ 18,922</u> |
| Included in Listener Support | | | | | | | |
| Website income | \$ 92,256 | \$ - | \$ - | \$ 22,746 | \$ 39,901 | \$ 26,455 | \$ 3,154 |
| Restricted contribution | 16,100 | 5,300 | - | - | 10,800 | - | - |
| Total | <u>\$ 108,356</u> | <u>\$ 5,300</u> | <u>\$ -</u> | <u>\$ 22,746</u> | <u>\$ 50,701</u> | <u>\$ 26,455</u> | <u>\$ 3,154</u> |

The accompanying notes are an integral part of these financial statements