

**PACIFICA FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2011 AND 2010**

**PACIFICA FOUNDATION
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

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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, 2011 and September 30, 2010 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation'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, 2011 and September 30, 2010 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 Statements of Financial Position, Activities, Other Revenue and Functional Expenses (By Division) on pages 22 through 29 are not a required part of the basic financial statements of Pacifica Foundation but are supplementary schedules presented for purposes of additional analysis. 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.

As discussed in Note 19, certain conditions indicate that the Foundation may not be able to continue as a going concern. The accompanying financial statements do not include any adjustments to the financial statements that might be necessary should the Foundation be unable to continue as a going concern.



Ross Wisdom CPA, PLLC
Certified Public Accountant

June 15, 2012
New York, NY

PACIFICA FOUNDATION
Statement of Financial Position
At September 30, 2011 and 2010

	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 633,069	\$ 410,431
Investments (note 6)	11,553	11,509
Pledges receivable (net)	682,910	886,207
Other receivables	102,757	215,451
Premium inventory	107,007	146,485
Prepaid expenses	75,548	87,922
Total current assets	1,612,844	1,758,005
Non-current assets:		
Property and equipment, net	2,712,300	2,891,163
Intangible and other assets	57,050	57,050
Bequests receivable	375,000	382,670
Restricted cash (note 4)	357,273	432,878
Program endowment investment (note 6)	292,934	311,837
Total non-current assets	3,794,557	4,075,598
Total assets	\$5,407,401	\$ 5,833,603

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Financial Position (continued)
At September 30, 2011 and 2010

	2011	2010
Liabilities		
Current liabilities:		
Accounts payable	\$1,635,011	\$ 1,709,524
Deferred income	169,648	-
Bank line of credit	-	100,000
Accrued expenses and benefits	842,338	759,009
Total current liabilities	2,646,997	2,568,533
Non-current liabilities:		
Deferred rent liability	721,396	661,723
Total non-current liabilities	721,396	661,723
Total liabilities	3,368,393	3,230,256
Net assets:		
Unrestricted	657,153	1,174,510
Temporarily restricted	265,800	312,782
Permanently restricted (note 9)	1,116,055	1,116,055
Total net assets	2,039,008	2,603,347
Total liabilities and net assets	\$5,407,401	\$ 5,833,603

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Activities
For the Year Ended September 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and support:				
Listener support / donations	\$11,551,656			\$11,551,656
Grants (note 15)	1,069,031	316,872		1,385,903
Community events	497,965			497,965
Sub-channel income (note 16)	291,800			291,800
Other revenue	366,991			366,991
Investment income	40,829			40,829
Net assets released from restrictions	363,854	(363,854)		0
Total revenue and support	<u>14,182,126</u>	<u>(46,982)</u>	<u>0</u>	<u>14,135,144</u>
Expenses:				
Program services	7,540,233			7,540,233
Management and general	3,904,445			3,904,445
Fundraising and development	3,254,805			3,254,805
Total expenses	<u>14,699,483</u>	<u>0</u>	<u>0</u>	<u>14,699,483</u>
Change in net assets	<u>(517,357)</u>	<u>(46,982)</u>	<u>0</u>	<u>(564,339)</u>
Net assets, beginning of year	1,174,510	312,782	1,116,055	2,603,347
Net assets, end of year	<u><u>\$ 657,153</u></u>	<u><u>\$ 265,800</u></u>	<u><u>\$ 1,116,055</u></u>	<u><u>\$ 2,039,008</u></u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Activities
For the Year Ended September 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and support:				
Listener support / donations	\$10,585,979			\$10,585,979
Grants	1,129,598	562,266		1,691,864
Community events	503,624			503,624
Sub-channel income	229,600			229,600
Other revenue	353,908			353,908
Investment income	35,448			35,448
Net assets released from restrictions	495,650	(495,650)		0
Total revenue and support	<u>13,333,807</u>	<u>66,616</u>	<u>0</u>	<u>13,400,423</u>
Expenses:				
Program services	7,801,762			7,801,762
Management and general	4,123,959			4,123,959
Fundraising and development	3,449,551			3,449,551
Total expenses	<u>15,375,272</u>	<u>0</u>	<u>0</u>	<u>15,375,272</u>
Change in net assets	<u>(2,041,465)</u>	<u>66,616</u>	<u>0</u>	<u>(1,974,849)</u>
Net assets, beginning of year	3,215,975	246,166	1,116,055	4,578,196
Net assets, end of year	<u><u>\$ 1,174,510</u></u>	<u><u>\$ 312,782</u></u>	<u><u>\$ 1,116,055</u></u>	<u><u>\$ 2,603,347</u></u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Functional Expenses
For the Year Ended September 30, 2011

	Program Services	Management and General	Fundraising and Development	Total Functional Expenses
Expenses:				
Personnel costs	\$ 4,076,490	\$ 1,915,794	\$ 1,091,963	\$ 7,084,247
Advertising and promotion	490	2,503	17,548	20,541
Associations and periodicals	1,461	5,429	699	7,589
Audit fees	-	66,099	-	66,099
Bank charges and finance charges	-	85,695	201,842	287,537
Board meetings and elections	-	125,250	526	125,776
Communications expense	329,099	97,373	51,254	477,726
Community events	15	372	341,705	342,092
Computer maintenance	15,396	26,499	8,527	50,422
Consultants	129,364	105,604	90,188	325,156
Depreciation and amortization	197,454	60,519	14,424	272,397
Direct mail and telemarketing	23,887	275	314,386	338,548
Equipment rental	1,914	81,913	14,910	98,737
Insurance	-	206,238	-	206,238
Interest	19,586	6,877	-	26,463
Legal fees	-	466,676	-	466,676
Legal settlement fees	-	71,741	-	71,741
Miscellaneous	-	13,136	34	13,170
Rent-office/studio	290,929	147,270	87,940	526,139
Rent-tower	687,519	-	-	687,519
Office expenses	9,561	48,460	8,230	66,251
Outside services	22,075	46,657	-	68,732
Permits, fines and filing fees	-	29,307	695	30,002
Premiums and shipping (for donations)	16,995	364	973,125	990,484
Programming costs	1,175,715	8,593	1,175	1,185,483
Repairs and maintenance	182,067	97,308	122	279,497
Storage	871	21,860	2,108	24,839
Tapes and supplies	61,282	-	866	62,148
Taxes - property tax	-	14,354	-	14,354
Training expense	3,452	7,219	3,541	14,212
Travel	10,716	9,781	1,615	22,112
Utilities	266,238	39,883	27,382	333,503
Website and audio port expenses	17,657	95,396	-	113,053
Total expenses	\$ 7,540,233	\$ 3,904,445	\$ 3,254,805	\$ 14,699,483

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Functional Expenses
For the Year Ended September 30, 2010

	Program Services	Management and General	Fundraising and Development	Total Functional Expenses
Expenses:				
Personnel costs	\$ 4,323,244	\$ 1,891,481	\$ 1,181,758	\$ 7,396,483
Advertising and promotion	-	4,403	33,045	37,448
Associations and periodicals	4,627	19,518	1,056	25,201
Audit fees	-	150,606	-	150,606
Bank charges and finance charges	-	78,541	178,942	257,483
Board meetings and elections	-	387,023	-	387,023
Communications expense	327,304	116,083	52,166	495,553
Community events	2,352	100	302,732	305,184
Computer maintenance	74,440	49,826	29,382	153,648
Consultants	106,045	225,856	20,185	352,086
Depreciation and amortization	197,906	66,065	49,663	313,634
Direct mail and telemarketing	21,245	412	319,373	341,030
Equipment rental	1,241	61,164	17,298	79,703
Insurance	-	209,118	-	209,118
Interest	10,047	10,607	-	20,654
Legal fees	-	244,564	503	245,067
Legal settlement fees	-	83,366	-	83,366
Miscellaneous	457	14,887	94	15,438
Rent-office/studio	298,053	133,609	82,222	513,884
Rent-tower	589,775	500	-	590,275
Office expenses	529	44,735	1,152	46,416
Outside services	5,260	23,488	37,103	65,851
Permits, fines and filing fees	-	5,070	-	5,070
Premiums and shipping (for donations)	264	-	1,075,498	1,075,762
Programming costs	1,370,901	-	-	1,370,901
Repairs and maintenance	111,546	111,370	7,609	230,525
Storage	871	20,951	2,436	24,258
Tapes and supplies	21,976	53,916	25,337	101,229
Taxes - property tax	-	43,307	-	43,307
Training expense	10,998	11,787	2,861	25,646
Travel	7,015	26,299	656	33,970
Utilities	315,666	35,307	28,480	379,453
Total expenses	<u>\$ 7,801,762</u>	<u>\$ 4,123,959</u>	<u>\$ 3,449,551</u>	<u>\$ 15,375,272</u>

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Cash Flows
For the Years Ended September 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Changes in net assets	(564,339)	(1,974,849)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	272,397	313,634
Realized and unrealized gain on investments	(4,368)	(520)
Restricted cash	75,605	1,751
Change in operating assets and liabilities		
(Increase) decrease in pledges and other receivables	323,661	164,294
(Increase) decrease in inventory	39,478	(1,864)
(Increase) decrease in prepaid expenses	12,374	(4,105)
Increase (decrease) in accounts payable	(74,513)	914,575
Increase (decrease) in deferred income	169,648	
Increase (decrease) in accrued expenses and benefits	83,329	(123,625)
Increase (decrease) in deferred rent liability	59,673	82,806
Net cash provided (used) by operating activities:	392,945	(627,903)
 Cash flows from investing activities		
Purchase of property and equipment	(93,534)	(69,481)
Proceeds/acquisition from sales of investments (net)	23,227	93,357
Net cash provided (used) by investing activities:	(70,307)	23,876
 Cash flows from financing activities		
Payments made on capital leases		(6,583)
Bank line of credit	(100,000)	
Net cash provided (used) by financing activities:	(100,000)	(6,583)
 Net increase (decrease) in cash	222,638	(610,610)
 Cash, beginning of year	410,431	1,021,041
 Cash, end of year	633,069	410,431
 Supplemental information		
Cash paid for interest	\$ 26,463	\$ 20,654

The accompanying notes are an integral part of these financial statements

**PACIFICA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

1. Organization

Pacifica 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 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-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.

2. Summary of Significant Accounting Policies

The 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 the accounting principles generally accepted in the United States of America. They are presented in accordance with the provisions of Accounting Standards Codification 958, "*Financial Statements of Not-For-Profit Organization*". Under the provisions of Codification 958, 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 Foundation 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 the action of the Board of Directors or otherwise limited by contractual arrangements with outside parties.

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

Permanently Restricted Net Assets - Net assets 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 any related investments for general or specific purposes. (see note 8)

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

2. Summary of Significant Accounting Policies (continued)

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 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 opinion that the Foundation has complied with the terms and conditions of all the grants.

Cash and Cash Equivalents

For purposes of the Statements 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.

Inventory

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

Revenue Recognition

Contribution is recognized when the donor makes a promise to give that is, in substance, unconditional. Grant revenue is recognized as earned expenses are incurred. Contributions of assets other than cash are recorded at fair value at the date of donation. In accordance with the provision of Accounting Standards Codification 9598-608, "*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 classified to unrestricted net assets.

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

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

2. Summary of Significant Accounting Policies (continued)

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 the provision of Accounting Standards Codification 958-605, 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.

Property and Equipment

Purchases of property and equipment are recorded at cost. Assets acquired by contribution of 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 \$2,000.

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

Office and computer equipment	5	years
Leasehold improvements	10	years
Furniture and fixtures	10	years
Transmitter, technical and antenna equipment	10-20	years
Buildings	30	years

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

2. 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. The cost of the fifth license (WPFW) was 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.

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 statements include accrued vacation benefits of \$346,574 and \$327,916 as of September 30, 2011 and 2010, respectively.

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.

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 realized and unrealized gains of \$4,368 (see note 6).

Fair Value of Financial Instruments – On October 1, 2008, the Foundation adopted Accounting Standards Codification 820, *Fair Value Measurements*. This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements.

On October 1, 2008, the Foundation adopted Accounting Standards Codification 825, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of Accounting Standards Codification 320*. A provision of Codification 825 permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of Codification 825 are elective; however, the amendment to Accounting Standards Codification 320, *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities that own trading and available-for-sale securities. The fair value option created by Accounting Standards Codification 825 permits an entity to measure eligible items at fair value as of specified election dates. The fair value option (a) may generally be applied instrument by instrument, (b) is irrevocable unless a new election date occurs, and (c) must be applied to the entire instrument and not only to a portion of the instrument. The adoption of Accounting Standards Codification 825 did not have a significant impact on the Foundation's results of operations and financial condition.

The Foundation's financial instruments consist principally of cash and cash equivalents, prepaid expenses, notes receivables, investments, other assets, accounts payable, and accrued expenses. The Foundation believes all of the financial instruments' recorded values approximate fair value.

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

2. Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements - In August 2008, FASB issued Accounting Standards Codification 958, *Endowments for Not-for-Profit Foundation: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds*. Accounting Standards Codification 958 responds to accounting questions raised by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) that was approved by the Uniform

Law Commission to modernize the Uniform Management of Institutional Funds Act of 1972 (UMIFA) for governing the investment and management of donor-restricted endowment funds by not-for-profit

foundations. Effective September 30, 2008, the State of California enacted UPMIFA. Among UPMIFA's more significant changes is the elimination of UMIFA's concept of historic dollar threshold, the amount below which a Foundation could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending.

The provisions of Accounting Standards Codification 958 expand disclosures about a Foundation's endowment funds (both donor-restricted and board-designated). In addition, Accounting Standards Codification 958 requires that the portion of a donor-restricted endowment fund that is not classified as permanently restricted net asset be classified as temporarily restricted net assets until appropriated for expenditure. The Foundation adopted the provisions under Accounting Standards Codification 958 as of October 1, 2008.

3. Line of Credit

The Foundation has a secured line of credit agreement with Wells Fargo Bank that expired on August 1, 2011. The line of allowed for total borrowings of up to \$100,000 at a per annum rate of 1.0% above prime rate. There was a balance of \$100,000 outstanding as of September 30, 2010. The line of credit was secured by a certificate of deposit held by the same bank which was used to pay off the line of credit in August 2011. Interest on this line of credit during the year ended September 30, 2011 amounted to \$4,073.

4. 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 and funds required to be held in a separate bank account because of donor restrictions. As of September 30, 2011 and 2010 the restricted cash consisted of:

	<u>2011</u>	<u>2010</u>
Loan collateral - KPFA	\$ -	\$ 100,000
Wells Fargo Bank ACH - KPFA	49,812	50,000
Solar Project - KPFA	18,649	-
NTIA - KPFT	13,671	13,671
Building Fund - WPFW	207,171	203,484
Heath Fund - National Office	67,970	65,723
Total	<u>\$ 357,273</u>	<u>\$ 432,878</u>

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

5. Property and Equipment

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

	<u>2011</u>	<u>2010</u>
Land	\$ 632,428	\$ 632,428
Building and improvements	3,183,762	3,178,611
Leasehold improvements	733,673	733,673
Fixtures and furniture	247,578	247,578
Equipment	8,528,430	8,443,297
Total	<u>13,325,871</u>	<u>13,235,587</u>
Less: accumulated depreciation	<u>(10,613,571)</u>	<u>(10,344,424)</u>
Total	<u>\$ 2,712,300</u>	<u>\$ 2,891,163</u>

Depreciation and amortization of property and equipment amounted to \$272,397 and \$313,634 for the years ended September 30, 2011 and 2010, respectively.

Included in the property and equipment held at September 30, 2011 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, 2011 the following assets were subject to the federal ten-year periods:

	<u>Historical Costs</u>	<u>End of 10- year Period</u>
KPFA	\$ 73,326	2013
KPFT	19,100	2016
KPFK	159,810	2012
WPFW	125,500	2012
Total	<u>\$ 377,736</u>	

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

6. Investments

	<u>2011</u>		<u>2010</u>	
	Acquisition Cost	Fair market Value	Acquisition Cost	Fair market Value
Mutual Funds	\$ 13,956	\$ 11,553	\$ 13,956	\$ 11,509
US Treasuries Money Fund	171,447	171,447	188,881	188,881
Equities	146,299	121,487	138,617	122,956
Total - Program Endowment	317,746	292,934	327,498	311,837
Total Investment	<u>\$ 331,702</u>	<u>\$ 304,487</u>	<u>\$ 341,454</u>	<u>\$ 323,346</u>

Investment income was comprised of the following at September 30:

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 36,461	\$ 34,928
Realized and unrealized gain	4,368	520
Net investment income	<u>\$ 40,829</u>	<u>\$ 35,448</u>

7. Temporarily Restricted Net Assets

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

	<u>2011</u>	<u>2010</u>
Public awareness on the environment - KPFA	-	\$ 16,618
Website for special programs podcasting - KPFA	-	1,500
Technical equipment acquisition - KPFT	-	13,671
Building fund - WBAI	65,800	80,800
Building fund - WPFW	200,000	200,000
NEA - PRA	-	193
	<u>\$265,800</u>	<u>\$312,782</u>

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

8. Temporarily Restricted Net Assets Released from Restrictions

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:

	<u>2011</u>	<u>2010</u>
Grant for environmental justice - KPFA	-	10,396
Public awareness on the environment - KPFA	16,618	41,043
Website for special programs podcasting - KPFA	1,500	1,500
CPB grant - KPFA	78,919	78,919
CPB grant - KPFK	66,698	92,207
Technical equipment acquisition - KPFT	13,671	9,329
CPB grant - KPFT	46,856	41,168
CPB grant - WBAI	69,612	84,067
Telephone system - WBAI	15,000	-
Fund restrictions released by donor - WPFW	-	31,311
CPB grant - WPFW	54,787	74,216
Radio archives project - PRA	193	31,494
	<u>363,854</u>	<u>495,650</u>

9. Permanently Restricted Net Assets

These funds are investments in perpetuity, the income from which is expendable for operations. Such endowments at September 30, 2011 and 2010 are follows:

	<u>2011</u>	<u>2010</u>
KPFA - Heath Trust endowment fund	\$ 375,000	\$ 375,000
KPFA - Other endowment fund	150,000	150,000
KPFK - Other endowment fund	20,000	20,000
National Office - Other endowment fund	196,055	196,055
National Office - Heath Trust endowment fund	375,000	375,000
	<u>\$1,116,055</u>	<u>\$ 1,116,055</u>

The Foundation's endowment consists of five funds established for a variety of purposes and includes donor-restricted funds. Net assets associated with this endowment are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

9. Permanently Restricted Net Assets (continued)

The remaining portion of the donor-restricted net assets that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, The Foundation considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflations
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or Board of Directors requires the Foundation to retain as a fund of perpetual duration. The Foundation has deficiencies of this nature as of September 30, 2011.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to preserve the purchasing power of the Endowment Fund and at the same time provide a regular distribution of funds for use of the Foundation, consistent with the terms of the Endowment Fund

Distribution Policy and the terms governing each of the individual endowment funds. A balanced approach is to be taken between risk, preservation of capital, income and growth.

Strategies Employed for Achieving Objectives

To satisfy its investment policy objectives, The Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) through equity-based investments and current yield (interest and dividends) through fixed income investments. The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has adopted a policy of appropriating for distribution each year an amount of five percent of its investment portfolio's average asset based on a trailing eighteen month average of accumulated contributions and earnings within the fund. The Board of Directors may request all, a portion, or none of the appropriation be distributed in accordance with the endowment fund's purpose as defined by the endowment agreement or applicable board resolution. Any portion of the distribution not appropriated by the Board shall be kept in the endowment fund, be governed by the endowment investment policy, and be available for future distribution in accordance with the distribution policy.

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

10. Concentration of Risk

The Foundation maintains its bank accounts at six financial institutions. Accounts at each of these institutions are insured by the FDIC up to the legal limit at each institution. In addition to the FDIC's basic Insurance coverage each of these institutions are participating in the FDIC's Transaction Account Guarantee Program (TAGP). Amounts in excess of the insured limits totaled \$343,209 on September 30, 2011.

Major Vendor – A significant portion (approximately 55%) of programming costs were provided by a major vendor, and as of September 30, 2011, a significant portion (approximately 43%) of accounts payable was payable to the same vendor.

Major Grantor – A significant portion (approximately 8%) of revenue was provided by The Corporation for Public Broadcasting. As of the date of this report the CPB grant has been renewed for the current year ending September 30, 2012.

11. Lease Commitments

The Foundation is obligated under several operating leases for office space, studio and radio tower equipment. The leases expire through September 30, 2020. Future minimum lease payments under these lease agreements as of September 30, 2011 are as follows:

	<u>TOTAL</u>
9/30/2012	\$ 824,836
9/30/2013	495,440
9/30/2014	449,924
9/30/2015	435,370
9/30/2016	465,846
Thereafter	<u>2,194,738</u>
Total	<u><u>\$4,866,154</u></u>

Rent expense under these lease agreements for the fiscal years ended September 30, 2011 and September 30, 2010 amounted to approximately \$1,213,658 and \$1,104,159, respectively.

12. Pension Plan

The Foundation has a 403 (b) defined contribution retirement plan for all eligible regular full time and part time employees employed for minimum of six months and electing to make salary deferrals which are invested along with employer matching funds in individual, self-directed accounts. The Foundation also has an annual "Profit Sharing Plan" based on 2% of more of total annual compensation earned per eligible employee during the plan year. Profit sharing amounts are invested in a portfolio of investments as directed by the Foundation. All contributions are subject to limitations imposed by applicable provisions of the Internal Revenue Code. The Foundation contributed \$182,419 and \$175,850 on September 30, 2011 and 2010, respectively to these retirement plans.

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

13. 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. 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 litigations, claims, or assessments.

14. Income Taxes

The Foundation is exempt from federal and state taxes by a group exemption under 501 (c) (3) of the Internal Revenue Code and section 23701 (d) of the California Revenue and Taxation Code, and is considered by the Internal Revenue Service to be a Foundation other than a private foundation. As of July, 2007 the Foundation adopted the Financial Standards Codification 740, *Accounting for Uncertainty in Income Taxes*. The standard addresses the accounting for uncertainties in income taxes recognized in an entity's financial statements and prescribes a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in the tax returns. Financial Standards Codification 740 also provides related guidance on measurement, classification, interest and penalties, and disclosure. There was no material impact to the Foundation's financial statements as a result of the adoption of Financial Standards Codification 740.

15. Grant Revenue

Grant Revenue was recognized from the following sources at September 30, 2011.

	Total	Corporation for Public Broadcasting	Charitable Foundations NEA and Other
KPFA	\$ 327,783	\$ 261,683	\$ 66,100
KPFK	258,572	254,572	4,000
KPFT	236,370	176,548	59,822
WBAI	299,232	265,697	33,535
WPFW	213,778	195,028	18,750
National	50,168	-	50,168
Total Grants	\$ 1,385,903	\$ 1,153,528	\$ 232,375

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

15. Grant Revenue (continued)

Grant Revenue was recognized from the following sources at September 30, 2010.

	Total	Corporation for Public Broadcasting	Charitable Foundations NEA and Other
KPFA	\$ 341,655	\$ 339,155	\$ 2,500
KPFK	384,298	384,298	-
KPFT	172,390	172,390	-
WBAI	373,507	355,307	18,200
WPFW	341,165	305,515	35,650
National	78,849	-	78,849
Total Grants	\$ 1,691,864	\$ 1,556,665	\$ 135,199

16. SCA Income

Pacifica Foundation entered into sub-carrier agreements (SCA) in March 1984, whereby outside companies would be allowed to use a portion of certain Pacifica stations' base bands 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 amounting to \$291,800 and \$229,600 during the years ended September 30, 2011 and 2010, respectively.

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.

17. 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.

18. Subsequent Events

The Foundation has evaluated all subsequent events through the date of this report, and determined there are no material recognized or unrecognized subsequent events.

PACIFICA FOUNDATION
Notes to Financial Statements
For the Year Ended September 30, 2011

19. Ability to Continue as a Going Concern

For the past four years the Foundation has sustained losses of \$433,161, \$2,701,432, \$1,974,849 and \$564,339 for the years ended September 30, 2008, 2009, 2010, and 2011 totaling \$5,673,781. Also during this four year period working capital has decreased from \$2,835,309 at September 30, 2007 to a deficit of \$(1,034,153) at September 30, 2011. These conditions and events have given rise to a substantial doubt about the Foundation's ability to meet its obligations as they become due without substantial disposition of assets outside the ordinary course of operations, or restructuring of debt, or externally forced revisions of its operations or similar actions. Although management has taken recent action to increase revenues and reduce expenses, as of the date of this report there is a Board approved but not fully implemented financial plan in place in order to restore adequate working capital within the current year. Accordingly, substantial doubt remains as to the ability of the Foundation to continue as a going concern as of the date of this report.

**PACIFICA FOUNDATION
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

PACIFICA FOUNDATION
Statement of Financial Position by Division
At September 30, 2011

Assets	Totals	Eliminations	KPFA	KPFK	KPFT	WBAI	WPFW	National Division
Current assets:								
Cash and cash equivalents	\$ 633,069		135,565	179,855	171,614	22,935	50,327	72,773
Investments (note 6)	11,553			11,553				
Pledges receivable (net)	682,910		158,965	357,312	71,826	59,103	35,704	
Other receivables	102,757		35,580	1,037	50	6,152	11,000	48,938
Premium inventory	107,007		13,591	39,628	10,014	11,088	32,686	
Inter-division receivable		(3,383,220)						3,383,220
Prepaid expenses	75,548		20,133	7,241		165	34,237	13,772
Total current assets	1,612,844	(3,383,220)	363,834	596,626	253,504	99,443	163,954	3,518,703
Non-current assets:								
Property and equipment, net	2,712,300		1,625,467	607,168	328,444	24,379	24,395	102,447
Inter-division receivable	0	(1,400,610)	1,400,610					
Intangible and other assets	57,050					42,701	14,349	
Bequests receivable	375,000		375,000					
Restricted cash (note 4)	357,273		49,812	18,649	13,671		207,171	67,970
Program endowment investment (note 6)	292,934		21,539	2,360		1,089	3,048	264,898
Total non-current assets	3,794,557	(1,400,610)	3,472,428	628,177	342,115	68,169	248,963	435,315
Total assets	\$ 5,407,401	\$ (4,783,830)	\$ 3,836,262	\$ 1,224,803	\$ 595,619	\$ 167,612	\$ 412,917	\$ 3,954,018

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Financial Position by Division (continued)
At September 30, 2011

	<u>Totals</u>	<u>Eliminations</u>	<u>KPFA</u>	<u>KPFK</u>	<u>KPFT</u>	<u>WBAI</u>	<u>WPFW</u>	<u>National Division</u>
Liabilities								
Current liabilities:								
Accounts payable	\$ 1,635,011		\$ 33,432	\$ 34,437	\$ 25,441	\$ 251,668	\$ 47,251	\$ 1,242,782
Deferred income	169,648				108,571	61,077		
Inter-division payables		(3,383,220)	403,289	28,377	141,098	2,268,149	542,307	
Accrued expenses and benefits	842,338		204,580	126,087	37,606	185,300	105,220	183,545
Total current liabilities	<u>2,646,997</u>	<u>(3,383,220)</u>	<u>641,301</u>	<u>188,901</u>	<u>312,716</u>	<u>2,766,194</u>	<u>694,778</u>	<u>1,426,327</u>
Non-current liabilities:								
Inter-division payables	-	(1,400,610)			300,657	20,362	279,451	800,140
Deferred rent liability	721,396				6,873	714,523		
Total non-current liabilities	<u>721,396</u>	<u>(1,400,610)</u>	<u>0</u>		<u>307,530</u>	<u>734,885</u>	<u>279,451</u>	<u>800,140</u>
Total liabilities	<u>3,368,393</u>	<u>(4,783,830)</u>	<u>641,301</u>	<u>188,901</u>	<u>620,246</u>	<u>3,501,079</u>	<u>974,229</u>	<u>2,226,467</u>
Net assets:								
Unrestricted	657,153		2,669,961	1,015,902	(24,627)	(3,399,267)	(761,312)	1,156,496
Temporarily restricted	265,800					65,800	200,000	
Permanently restricted (note 9)	1,116,055		525,000	20,000				571,055
Total net assets	<u>2,039,008</u>	<u>0</u>	<u>3,194,961</u>	<u>1,035,902</u>	<u>(24,627)</u>	<u>(3,333,467)</u>	<u>(561,312)</u>	<u>1,727,551</u>
Total liabilities and net assets	<u>\$ 5,407,401</u>	<u>\$ (4,783,830)</u>	<u>\$ 3,836,262</u>	<u>\$ 1,224,803</u>	<u>\$ 595,619</u>	<u>\$ 167,612</u>	<u>\$ 412,917</u>	<u>\$ 3,954,018</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, 2011

	Totals	Eliminations	KPFA	KPFK	KPFT	WBAI	WPFW	National Division
Unrestricted revenue and support:								
Listener support / donations	\$ 11,551,656		\$ 2,703,033	\$ 3,289,184	\$ 941,482	\$ 2,707,501	\$ 1,366,306	\$ 544,150
Grants (note 15)	1,069,031		248,864	191,874	189,514	229,620	158,991	50,168
Community events	497,965		190,236	31,494	65,952	187,519	22,644	120
Sub-channel income (note 16)	291,800							291,800
Other revenue	366,991		38,548		13,546			314,897
Investment income	40,829		(967)	5,711	160	24,206	3,787	7,932
Central services	0	(2,001,298)						2,001,298
Net assets released from restrictions	363,854		97,037	66,698	60,527	84,612	54,787	193
Total unrestricted revenue & support	14,182,126	(2,001,298)	3,276,751	3,584,961	1,271,181	3,233,458	1,606,515	3,210,558
Expenses:								
Program services	7,540,233		1,731,314	1,580,692	425,834	2,183,655	455,709	1,163,029
Management and general	3,904,445		597,088	361,125	361,352	567,359	531,454	1,486,067
Fundraising and development	3,254,805		686,660	929,408	419,943	735,473	337,809	145,512
Central services	0	(2,001,298)	507,162	593,936	182,371	478,641	239,188	
Total expenses	14,699,483	(2,001,298)	3,522,224	3,465,161	1,389,500	3,965,128	1,564,160	2,794,608
Increase (decrease) in unrest. net assets	(517,357)		(245,473)	119,800	(118,319)	(731,670)	42,355	415,950
Temporarily restricted net assets:								
Grant income	316,872		78,919	66,698	46,856	69,612	54,787	
Net assets released from restrictions	(363,854)		(97,037)	(66,698)	(60,527)	(84,612)	(54,787)	(193)
Increase (decrease) in temp. rest. net assets	(46,982)		(18,118)	0	(13,671)	(15,000)	0	(193)
Increase (decrease) in perm. rest. net assets	0							
Net assets, beginning of year	2,603,347		3,458,552	916,102	107,363	(2,586,797)	(603,667)	1,311,794
Net assets, end of year	\$ 2,039,008	\$ -	\$ 3,194,961	\$ 1,035,902	\$ (24,627)	\$ (3,333,467)	\$ (561,312)	\$ 1,727,551

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, 2011

	Totals	Eliminations	KPFA	KPFF	KPFT	WBAI	WPFW	National Division
Expenses:								
Personnel costs	\$ 7,084,247		\$ 1,834,355	\$ 1,564,920	\$ 543,478	\$ 1,491,554	\$ 569,377	\$ 1,080,563
Advertising and promotion	20,541		123	8,688	4,559	4,366	2,154	651
Associations and periodicals	7,589		1,945	407	4,099	-	615	523
Audit fees	66,099		-	-	-	-	-	66,099
Bank charges and finance charges	287,537		53,893	65,233	49,241	74,156	30,124	14,890
Board meetings and elections	125,776		12,286	12,744	6,888	10,746	10,430	72,682
Communications expense	477,726		62,792	96,139	46,233	109,674	44,893	117,995
Community events	342,092		99,738	45,768	108,203	75,969	6,749	5,665
Computer maintenance	50,422		12,408	20,117	-	9,168	974	7,755
Consultants	325,156		-	-	37,356	128,076	94,220	65,504
Depreciation and amortization	272,397		114,155	87,419	20,853	12,142	10,610	27,218
Direct mail and telemarketing	338,548		121,274	55,855	71,631	52,677	22,069	15,042
Equipment rental	98,737		121	29,917	10,151	32,920	14,748	10,880
Insurance	206,238		11,840	7,268	-	-	-	187,130
Interest	26,463		-	(443)	-	19,772	-	7,134
Legal fees	466,676		169,702	15,940	7,690	44,147	35,241	193,956
Legal settlement fees	71,741		-	-	-	-	-	71,741
Miscellaneous	13,170		-	2,389	502	1,534	8,428	317
Rent-office/studio	526,139		-	-	-	335,775	190,364	-
Rent-tower	687,519		1,560	12,134	64,209	572,668	36,948	-
Office expenses	66,251		4,589	22,407	9,996	4,312	6,677	18,270
Outside services	68,732		-	-	22,075	992	-	45,665
Permits, fines and filing fees	30,002		14,402	4,016	482	-	-	11,102
Premiums and shipping (for donations)	990,484		148,522	454,184	50,526	251,821	67,577	17,854
Programming costs	1,185,483		123,513	140,522	93,123	127,025	49,787	651,513
Repairs and maintenance	279,497		57,557	103,326	27,979	33,164	43,947	13,524
Storage	24,839		-	871	-	-	5,888	18,080
Tapes and supplies	62,148		1,709	3,545	34	3,662	-	53,198
Taxes - property tax	14,354		-	-	14,354	-	-	-
Training expense	14,212		2,614	575	2,093	158	2,721	6,051
Travel	22,112		4,542	5,000	201	4,544	1,577	6,248
Utilities	333,503		74,762	102,745	8,845	81,917	62,129	3,105
Website and audio port expenses	113,053		86,660	9,539	2,328	3,548	6,725	4,253
Total expenses	\$ 14,699,483	\$ -	\$ 3,015,062	\$ 2,871,225	\$ 1,207,129	\$ 3,486,487	\$ 1,324,972	\$ 2,794,608

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Functional Expenses by Division - Program Services
For the Year Ended September 30, 2011

	<u>Totals</u>	<u>Eliminations</u>	<u>KPFA</u>	<u>KPFK</u>	<u>KPFT</u>	<u>WBAI</u>	<u>WPFW</u>	<u>National Division</u>
Expenses:								
Personnel costs	\$ 4,076,490		\$ 1,334,291	\$ 1,071,308	\$ 156,450	\$ 1,009,692	\$ 184,220	\$ 320,529
Advertising and promotion	490			490				
Associations and periodicals	1,461		1,074	387				
Audit fees	0							
Bank charges and finance charges	0							
Board meetings and elections	0							
Communications expense	329,099		59,841	62,851	20,520	75,559	15,625	94,703
Community events	15			15				
Computer maintenance	15,396		408	14,953				35
Consultants	129,364				30,897	33,214	46,853	18,400
Depreciation and amortization	197,454		84,540	70,048	14,436	9,090	5,966	13,374
Direct mail and telemarketing	23,887		21,919	1,968				
Equipment rental	1,914			1,914				
Insurance	0							
Interest	19,586					19,586		
Legal fees	0							
Legal settlement fees	0							
Miscellaneous	0							
Rent-office/studio	290,929					230,671	60,258	
Rent-tower	687,519		1,560	12,134	64,209	572,668	36,948	
Office expenses	9,561			9,085	176	300		
Outside services	22,075				22,075			
Permits, fines and filing fees	0							
Premiums and shipping (for donations)	16,995		16,995					
Programming costs	1,175,715		123,513	130,754	93,123	127,025	49,787	651,513
Repairs and maintenance	182,067		12,206	99,142	19,507	30,154	16,378	4,680
Storage	871			871				
Tapes and supplies	61,282		1,382	3,545	34	3,123		53,198
Taxes - property tax	0							
Training expense	3,452		1,689		175			1,588
Travel	10,716		4,542	4,975	57	793		349
Utilities	266,238		67,354	86,713	2,935	69,967	38,548	721
Website and audio port expenses	17,657			9,539	1,240	1,813	1,126	3,939
Total expenses	\$ 7,540,233		\$ 1,731,314	\$ 1,580,692	\$ 425,834	\$ 2,183,655	\$ 455,709	\$ 1,163,029

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Functional Expenses by Division - Management & General
For the Year Ended September 30, 2011

	<u>Totals</u>	<u>Eliminations</u>	<u>KPFA</u>	<u>KPFK</u>	<u>KPFT</u>	<u>WBAI</u>	<u>WPFW</u>	<u>National Division</u>
Expenses:								
Personnel costs	\$ 1,915,794		\$ 204,406	\$ 233,911	\$ 246,021	\$ 336,186	\$ 224,673	\$ 670,597
Advertising and promotion	2,503			170	2,058	275		
Associations and periodicals	5,429		172	20	4,099		615	523
Audit fees	66,099							66,099
Bank charges and finance charges	85,695		21,333	3,602	19,597	8,584	30,124	2,455
Board meetings and elections	125,250		11,760	12,744	6,888	10,746	10,430	72,682
Communications expense	97,373		(130)	19,055	14,680	23,380	18,476	21,912
Community events	372		(25)	397				
Computer maintenance	26,499		4,770	3,867		9,168	974	7,720
Consultants	105,604				3,684	7,449	47,367	47,104
Depreciation and amortization	60,519		17,848	16,569	6,313	2,729	3,216	13,844
Direct mail and telemarketing	275		156				119	
Equipment rental	81,913		121	13,401	10,151	32,612	14,748	10,880
Insurance	206,238		11,840	7,268				187,130
Interest	6,877			(443)		186		7,134
Legal fees	466,676		169,702	15,940	7,690	44,147	35,241	193,956
Legal settlement fees	71,741							71,741
Miscellaneous	13,136			2,389	468	1,534	8,428	317
Rent-office/studio	147,270					71,173	76,097	
Rent-tower	0							
Office expenses	48,460		4,589	6,658	9,523	2,743	6,677	18,270
Outside services	46,657					992		45,665
Permits, fines and filing fees	29,307		14,402	4,016	482			10,407
Premiums and shipping (for donations)	364		349				15	
Programming costs	8,593			8,593				
Repairs and maintenance	97,308		45,229	4,184	8,472	3,010	27,569	8,844
Storage	21,860						5,888	15,972
Tapes and supplies	0							
Taxes - property tax	14,354				14,354			
Training expense	7,219		925		1,918	158		4,218
Travel	9,781			16		2,460	1,406	5,899
Utilities	39,883		2,981	8,768	3,866	8,092	13,792	2,384
Website and audio port expenses	95,396		86,660		1,088	1,735	5,599	314
Total expenses	\$ 3,904,445	\$ -	\$ 597,088	\$ 361,125	\$ 361,352	\$ 567,359	\$ 531,454	\$ 1,486,067

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
Statement of Functional Expenses by Division - Fundraising
For the Year Ended September 30, 2011

	<u>Totals</u>	<u>Eliminations</u>	<u>KPFA</u>	<u>KPFK</u>	<u>KPFT</u>	<u>WBAI</u>	<u>WPFW</u>	<u>National Division</u>
Expenses:								
Personnel costs	\$ 1,091,963		\$ 295,658	\$ 259,701	\$ 141,007	\$ 145,676	\$ 160,484	\$ 89,437
Advertising and promotion	17,548		123	8,028	2,501	4,091	2,154	651
Associations and periodicals	699		699					
Audit fees	0							
Bank charges and finance charges	201,842		32,560	61,631	29,644	65,572		12,435
Board meetings and elections	526		526					
Communications expense	51,254		3,081	14,233	11,033	10,735	10,792	1,380
Community events	341,705		99,763	45,356	108,203	75,969	6,749	5,665
Computer maintenance	8,527		7,230	1,297				
Consultants	90,188				2,775	87,413		
Depreciation and amortization	14,424		11,767	802	104	323	1,428	
Direct mail and telemarketing	314,386		99,199	53,887	71,631	52,677	21,950	15,042
Equipment rental	14,910			14,602		308		
Insurance	0							
Interest	0							
Legal fees	0							
Legal settlement fees	0							
Miscellaneous	34				34			
Rent-office/studio	87,940					33,931	54,009	
Rent-tower	0							
Office expenses	8,230			6,664	297	1,269		
Outside services	0							
Permits, fines and filing fees	695							695
Premiums and shipping (for donations)	973,125		131,178	454,184	50,526	251,821	67,562	17,854
Programming costs	1,175			1,175				
Repairs and maintenance	122		122					
Storage	2,108							2,108
Tapes and supplies	866		327			539		
Taxes - property tax	0							
Training expense	3,541			575			2,721	245
Travel	1,615			9	144	1,291	171	
Utilities	27,382		4,427	7,264	2,044	3,858	9,789	
Website and audio port expenses	0 *							
Total expenses	\$ 3,254,805	\$ -	\$ 686,660	\$ 929,408	\$ 419,943	\$ 735,473	\$ 337,809	\$ 145,512

The accompanying notes are an integral part of these financial statements

PACIFICA FOUNDATION
 Other Revenue by Division
 For the Year Ended September 30, 2011

	<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 (recorded programs)	\$ 52,632			\$200			\$ 52,432
Affiliates income	217,465						217,465
Miscellaneous	96,894	38,548		13,346			45,000
Total	<u>\$ 366,991</u>	<u>\$ 38,548</u>	<u>\$ -</u>	<u>\$ 13,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,897</u>
Investment income:							
Interest and dividends	\$ 36,461		\$ 5,667	\$ 160	\$ 24,206	\$ 3,787	\$ 2,641
Realized/unreal. gains (losses)	4,368	(967)	44				5,291
Total	<u>\$ 40,829</u>	<u>\$ (967)</u>	<u>\$ 5,711</u>	<u>\$ 160</u>	<u>\$ 24,206</u>	<u>\$ 3,787</u>	<u>\$ 7,932</u>

The accompanying notes are an integral part of these financial statements