

PACIFICA FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 1995 AND 1994

PACIFICA FOUNDATION
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

Table of Contents

	<u>Page</u>
Auditor's Report	1
Financial Statements:	
Balance Sheet by Division as at September 30, 1995	2-3
Statement of Revenue and Expenses and Fund Balance by Division for the year ended September 30, 1995	4
Statement of Donated Services, Material and Facilities by Division for the year ended September 30, 1995	5
Schedule of Functional Expenses by Division for the year ended September 30, 1995	6-8
Statement of Cash Flows by Division for the year ended September 30, 1995	9
Comparative Balance Sheet as at September 30, 1995 and 1994	10-11
Statement of Revenue and Expenses and Fund Balance for the years ended September 30, 1995 and 1994	12
Statement of Donated Services, Materials and Facilities for the years ended September 30, 1995 and 1994	13
Statement of Cash Flows for the year ended September 30, 1995 and 1994	14
Notes to the Financial Statements	15-26

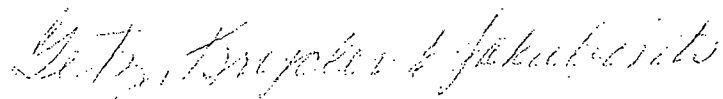
REPORT OF THE INDEPENDENT AUDITORS

Board of Directors
Pacifica Foundation
Los Angeles, California

We have audited the accompanying balance sheets of the Pacifica Foundation (a nonprofit organization) at September 30, 1995 and 1994, and the related statements of revenue, expenses and fund balance, cash flows, and the related schedules listed in the accompanying index for each of the two years in the period ended September 30, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audits provide 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, 1995 and 1994, and the results of its operations and its cash flows for each of the two years in the period ended September 30, 1995 in conformity with generally accepted accounting principles.



Getz, Krycler & Jakobovits
An Accountancy Corporation

February 17, 1996

EXHIBIT A

PACIFICA FOUNDATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE BY DIVISION
AS AT SEPTEMBER 30, 1995

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ASSETS

	Totals	Eliminations	KPFA	KPFK	WBAL	KPFT	WPFW	National Office
CURRENT ASSETS								
Cash in bank	\$112,826	-	\$37,841	\$5,719	\$16,498	\$12,052	\$2,225	\$38,491
Restricted cash	1,346,486	-	256,489	6,368	256,721	-	-	826,908
Accounts receivable	105,854	-	19,260	8,000	-	-	14,182	64,412
Inter-division receivable	-	(438,644)	41,021	-	-	-	-	397,623
Prepaid expenses	51,132	-	29,485	-	21,647	-	-	-
TOTAL CURRENT ASSETS	1,616,298	(438,644)	384,096	20,087	294,866	12,052	16,407	1,327,434
PROPERTY AND EQUIPMENT								
Land	632,428	-	481,069	88,475	-	62,884	-	-
Building and improvements	2,575,491	-	1,965,480	260,016	-	99,406	-	250,589
Equipment	4,073,530	-	1,565,582	674,912	666,066	337,812	534,821	294,537
Leasehold improvements	595,031	-	-	-	495,681	6,200	70,738	22,412
Furniture and fixtures	249,744	-	103,292	17,386	46,409	20,164	47,761	14,732
Motor vehicles	5,604	-	3,954	-	-	1,650	-	-
Less: Accumulated depreciation	8,131,828	-	4,119,177	1,040,789	1,208,156	528,116	633,320	582,270
	3,386,236	-	1,164,638	686,919	638,630	216,051	391,198	268,780
PROPERTY AND EQUIPMENT, NET	4,745,592	-	2,954,519	355,870	569,526	292,065	262,122	313,490
OTHER ASSETS								
Station license, net of amortization of \$75,000	5,000	-	-	-	-	-	5,000	-
Other, including deposits	131,734	-	1,730	12,075	68,721	3,000	20,789	25,399
Program endowment, restricted	379,102	-	-	-	-	-	-	379,102
TOTAL OTHER ASSETS	515,836	-	1,730	12,075	68,721	3,000	25,789	404,501
TOTAL ASSETS	\$6,877,726	(\$438,644)	\$3,340,365	\$386,032	\$933,113	\$507,117	\$304,318	\$2,045,425

The notes are considered an integral part of these financial statements.
GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE BY DIVISION
AS AT SEPTEMBER 30, 1995

EXHIBIT A
(Continued)

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LIABILITIES & FUND BALANCE

	Totals	Eliminations	KPFA	KPFK	WBAI	KPFT	WPFW	National Office
CURRENT LIABILITIES								
Accounts payable and accrued expenses	\$372,236	-	\$70,135	\$54,642	\$74,261	\$25,792	\$60,775	\$86,631
Loans payable - other	5,185	-	-	-	-	-	4,734	451
Deferred grant income	38,168	-	38,168	-	-	-	-	-
Inter-division payable	-	(438,644)	-	16,963	4,314	143,090	274,277	-
Loans payable - Bank - current portion	35,000	-	35,000	-	-	-	-	-
Deferred income - other	116,963	-	6,816	-	92,972	-	-	17,175
Deposits	1,200	-	1,200	-	-	-	-	-
TOTAL CURRENT LIABILITIES	<u>568,752</u>	<u>(438,644)</u>	<u>151,319</u>	<u>71,605</u>	<u>171,547</u>	<u>168,882</u>	<u>339,786</u>	<u>104,257</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES	<u>600,475</u>	-	<u>580,833</u>	-	-	-	<u>19,642</u>	-
TOTAL LIABILITIES	<u>1,169,227</u>	<u>(438,644)</u>	<u>732,152</u>	<u>71,605</u>	<u>171,547</u>	<u>168,882</u>	<u>359,428</u>	<u>104,257</u>
COMMITMENTS AND CONTINGENCIES	-	-	-	-	-	-	-	-
FUND BALANCE (Exhibit B)	<u>5,708,499</u>	-	<u>2,608,213</u>	<u>314,427</u>	<u>761,566</u>	<u>138,235</u>	<u>(55,110)</u>	<u>1,941,168</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$6,877,726</u>	<u>(\$438,644)</u>	<u>\$3,340,365</u>	<u>\$386,032</u>	<u>\$933,113</u>	<u>\$307,117</u>	<u>\$304,318</u>	<u>\$2,045,425</u>

The notes are considered an integral part of these financial statements.
GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION
 STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCE BY DIVISION
 FOR THE YEAR ENDED SEPTEMBER 30, 1995
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EXHIBIT B

REVENUE	Totals	Eliminations	KPFA	KPFF	WBAI	KPFT	WPFW	National Office
Listener support / Donations	\$5,317,268	-	\$1,619,782	\$944,887	\$1,707,209	\$314,659	\$482,269	\$248,462
Grants	1,533,903	-	567,081	223,846	377,333	104,618	194,425	66,600
Community events	549,404	-	145,502	2,313	398,836	2,753	-	-
SCA income	773,748	-	4,000	26,920	197,785	49,500	209,500	286,043
Miscellaneous	462,375	(12,000)	127,026	6,705	9,842	1,492	11,838	317,472
Central services	-	(1,026,945)	-	-	-	-	-	1,026,945
	8,636,698	(1,038,945)	2,463,391	1,204,671	2,691,005	473,022	898,032	1,945,522
DONATED SERVICES, MATERIALS AND FACILITIES (Schedule B-I)	286,310	-	64,502	98,167	110,151	1,443	1,351	10,696
TOTAL REVENUE	8,923,008	(1,038,945)	2,527,893	1,302,838	2,801,156	474,465	899,383	1,956,218
EXPENDITURES								
Program services (Schedule B-II)	4,608,983	(12,000)	1,337,462	504,774	1,000,002	246,744	460,387	1,011,619
Management & general (Schedule B-III)	1,633,665	-	280,022	162,873	310,009	101,428	216,621	562,712
Fundraising (Schedule B-IV)	1,751,714	-	518,258	279,259	427,116	113,213	250,624	163,244
Community events	396,844	-	95,980	44	300,820	-	-	-
Central services	-	(1,026,945)	368,438	174,915	327,869	54,172	101,551	-
TOTAL EXPENDITURES	8,391,211	(1,038,945)	2,600,160	1,181,865	2,365,816	515,557	1,029,183	1,737,575
DONATED SERVICES, MATERIALS AND FACILITIES (Schedule B-I)	286,310	-	64,502	98,167	110,151	1,443	1,351	10,696
TOTAL EXPENSES	8,677,521	(1,038,945)	2,664,662	1,280,032	2,475,967	517,000	1,030,534	1,748,271
EXCESS OF REVENUE OVER EXPENSES	245,487	-	(136,769)	22,806	325,189	(42,535)	(131,151)	207,947
FUND BALANCE - Beginning of year	5,463,012	-	2,744,982	291,621	436,377	180,770	76,041	1,733,221
FUND BALANCE - End of year	\$5,708,499	-	\$2,608,213	\$314,427	\$761,566	\$138,235	(\$55,110)	\$1,941,168

The notes are considered an integral part of these financial statements.
 GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION
SCHEDULE B-I

SCHEDULE OF DONATED SERVICES, MATERIALS AND FACILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 1995

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	Totals	KPFA	KPFK	WBAI	KPFT	WPFW	National Office
Accounting & legal	\$17,722	\$800	-	\$6,226	-	-	\$10,696
Technical	61,065	3,000	36,950	21,115	-	-	-
Fund raising and development	17,545	6,285	1,700	9,360	200	-	-
Programming service	184,284	51,317	59,517	73,450	-	-	-
Operating expenses	3,694	1,100	-	-	1,243	1,351	-
Other professional services	2,000	-	-	-	-	-	-
TOTAL DONATED SERVICES AND MATERIALS EXCLUDING EQUIPMENT	\$286,310	\$64,502	\$98,167	\$110,151	\$1,443	\$1,351	\$10,696

The notes are considered an integral part of these financial statements.
GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION
SCHEDULE OF PROGRAM SERVICE EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 1995

SCHEDULE B-II

	Totals	Eliminations	KITFA	KPFK	WBAI	KPFT	WTFW	National Office
SALARIES AND RELATED EXPENSES								
Salaries	\$1,760,256	-	\$589,738	\$262,883	\$342,533	\$69,338	\$139,654	\$356,110
Payroll taxes	161,298	-	52,383	24,848	28,604	7,133	15,730	32,600
Employee benefits	189,100	-	63,847	29,301	42,385	9,830	9,598	34,149
Consultants	188,278	-	24,461	5,300	1,275	-	19,589	137,653
TOTAL SALARIES AND RELATED EXPENSES	2,298,932	-	730,429	322,332	414,797	86,291	184,571	560,512
OTHER EXPENSES								
Legal fees	37,211	-	-	-	10,480	-	-	26,731
Supplies	56,807	-	8,963	6,841	18,420	1,931	9,240	11,412
Telephone	299,021	-	55,922	47,041	80,808	13,562	36,955	64,733
Postage & shipping	61,807	-	17,301	12,483	7,837	1,381	2,845	19,960
Rent	193,475	(12,000)	-	297	114,501	40,819	51,171	39,506
Equipment rental	244,790	-	7,013	1,657	172,167	1,951	22,503	631
Printing & publications	61,016	-	26,728	5,962	15,883	-	10,492	-
Travel	9,602	-	1,289	489	2,391	522	198	4,713
Conferences & meetings	8,865	-	-	-	-	-	-	8,865
Interest	48,459	-	48,459	-	-	-	-	-
Depreciation & amortization	278,755	-	151,318	35,370	18,818	20,532	29,852	22,865
Associations & periodicals	10,951	-	1,908	388	274	-	826	7,555
Bank charges	2,644	-	-	-	-	-	-	2,644
Insurance	82,473	-	-	-	-	-	-	82,473
News service	125,311	-	24,311	30,724	29,142	5,820	126	35,088
Other administrative	30,264	-	1,539	1,917	687	1,464	4,083	30,574
Other programming	111,301	-	8,559	3,120	21,839	27,789	4,480	45,514
Postage & mailing services	40,559	-	26,856	773	12,930	-	-	-
Pre-recorded material	169	-	30	-	-	-	139	-
Property taxes	45,453	-	7,853	1,222	13,765	10,257	12,356	-
Repairs & maintenance - general	82,540	-	24,219	15,193	13,354	2,475	26,053	1,246
Repairs & maintenance - technical	59,144	-	11,874	9,747	8,626	6,668	21,000	1,229
Satellite interconnect	74,126	-	12,431	5,759	6,110	5,700	15,980	28,146
Special projects	106,234	-	102,996	250	-	-	-	2,988
Tapes & supplies	48,382	-	11,516	3,460	9,737	694	1,141	21,834
Utilities	190,797	-	55,948	59,749	27,436	18,888	26,376	2,400
TOTAL OTHER EXPENSES	2,310,056	(12,000)	607,033	242,442	585,205	160,453	275,816	451,107
TOTAL PROGRAM SERVICE EXPENDITURES	\$4,608,988	(\$12,000)	\$1,337,462	\$564,774	\$1,000,002	\$246,744	\$460,387	\$1,011,619

PACIFICA FOUNDATION
 SCHEDULE OF MANAGEMENT & GENERAL EXPENDITURES
 FOR THE YEAR ENDED SEPTEMBER 30, 1995

SCHEDULE B-III

	Totals	Eliminations	KPFA	KPFK	WBAL	KPFT	WPFW	National Office
SALARIES AND RELATED EXPENSES								
Salaries	\$869,219	-	\$140,029	\$103,463	\$193,935	\$59,491	\$87,297	\$285,004
Payroll taxes	80,453	-	12,438	9,779	16,195	6,119	9,832	26,090
Employee benefits	92,444	-	15,160	11,532	23,997	8,426	5,999	27,330
TOTAL SALARIES AND RELATED EXPENSES	1,042,116	-	167,627	124,774	234,127	74,036	103,128	338,424
OTHER EXPENSES								
Accounting fees	30,016	-	-	-	-	-	-	30,016
Legal fees	23,218	-	4,243	3,272	655	168	14,880	-
Supplies	11,498	-	1,379	717	1,122	483	4,042	3,755
Telephone	34,833	-	6,018	5,393	4,095	1,833	10,176	7,318
Postage & shipping	7,844	-	2,662	567	490	187	1,244	2,694
Rent	29,543	-	-	-	7,156	-	22,387	-
Equipment rental	3,042	-	1,079	121	11	-	1,831	-
Printing & publications	351	-	-	94	-	117	140	-
Travel	11,928	-	198	65	149	71	87	11,358
Conferences & meetings	114,394	-	25,134	9,117	13,373	11,700	13,202	41,868
Interest	7,455	-	7,455	-	-	-	-	-
Depreciation & amortization	48,890	-	33,280	4,688	1,176	2,775	13,060	3,911
Associations & periodicals	1,884	-	294	51	17	-	361	1,061
Bank charges	104,873	-	32,029	8,682	44,185	7,458	10,779	1,740
Insurance	14,107	-	-	-	-	-	-	14,107
List rental expenses	19,576	-	-	-	-	-	-	19,576
Other administrative	33,685	-	237	254	43	198	1,786	33,167
Property taxes	9,022	-	1,208	162	860	1,386	5,406	-
Repairs & maintenance - general	19,371	-	3,726	2,014	835	335	11,398	1,063
Special projects	50,154	-	-	-	-	-	-	50,154
Utilities	13,865	-	3,453	2,902	1,715	681	2,714	2,400
TOTAL OTHER EXPENSES	591,549	-	112,395	38,099	75,882	27,392	113,493	224,288
TOTAL MANAGEMENT & GENERAL EXPENDITURES	\$1,633,665	-	\$280,022	\$162,873	\$310,009	\$101,428	\$216,621	\$562,712

The notes are considered an integral part of these financial statements.
 GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION
SCHEDULE OF FUNDRAISING EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 1995
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SCHEDULE B-IV

	Totals	Eliminations	KPFA	KPFK	WBAT	KPPT	WPFW	National Office
SALARIES AND RELATED EXPENSES								
Salaries	\$558,146	-	\$192,728	\$107,506	\$92,659	\$40,169	\$56,183	\$68,901
Payroll taxes	51,785	-	17,119	10,161	7,738	4,132	6,328	6,307
Employee benefits	60,469	-	20,865	11,982	11,465	5,689	3,861	6,607
TOTAL SALARIES AND RELATED EXPENSES	670,400	-	230,712	129,649	111,862	49,990	66,372	81,815
OTHER EXPENSES								
Legal fees	1,965	-	-	-	1,965	-	-	-
Supplies	9,067	-	1,542	391	3,367	582	1,795	1,390
Telephone	27,787	-	5,015	2,941	12,284	2,932	2,907	1,708
Postage & shipping	6,220	-	2,218	309	1,469	1,195	356	673
Rent	27,865	-	-	-	21,469	-	6,396	-
Equipment rental	1,521	-	899	66	33	-	523	-
Printing & publications	187	-	-	-	-	187	-	-
Travel	3,625	-	165	35	448	113	25	2,839
Conferences & meetings	662	-	-	-	-	-	-	662
Interest	6,213	-	6,213	-	-	-	-	-
Depreciation & amortization	36,965	-	19,400	2,557	3,528	4,439	3,732	3,309
Associations & periodicals	717	-	245	28	51	-	103	290
Computer supplies	8,148	-	320	-	6,515	1,049	-	264
Direct mail & telemarketing	397,526	-	110,771	65,949	92,988	8,519	69,577	49,522
Insurance	11,937	-	-	-	-	-	-	11,937
Other administrative	2,742	-	518	159	129	317	510	1,129
Other development:	22,641	-	-	35	4,203	1,559	9,138	7,706
Postage & mailing services	129,026	-	65,333	26,998	13,601	6,015	17,079	-
Premiums & marathon	321,962	-	48,496	40,289	136,391	30,293	66,493	-
Printing	23,050	-	7,142	7,104	6,584	2,180	40	-
Property taxes	7,439	-	1,007	88	2,581	2,218	1,545	-
Repairs & maintenance - general	10,499	-	3,105	1,098	2,504	535	3,257	-
Special projects	12,280	-	12,280	-	-	-	-	-
Utilities	11,470	-	2,877	1,583	5,144	1,090	776	-
TOTAL OTHER EXPENSES	1,081,314	-	287,546	149,610	313,254	63,223	184,252	81,429
TOTAL FUNDRAISING EXPENDITURES	\$1,751,714	-	\$518,258	\$279,259	\$427,116	\$113,213	\$250,624	\$163,244

The notes are considered an integral part of these financial statements.
GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 1995
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	Totals	Eliminations	KPFA	KPFK	WBAL	KPFT	WPFW	National Office
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income (loss)	\$245,487	-	(\$136,769)	\$22,806	\$325,189	(\$42,555)	(\$131,151)	\$207,947
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation & amortization	364,610	-	193,998	42,615	23,522	27,746	46,644	30,085
In-kind contributions of equipment	0	-	-	-	-	-	-	-
Changes in assets & liabilities:								
Accounts receivable	(610)	-	(2,086)	2,000	-	-	4,565	(5,089)
Prepaid expenses	15,150	-	(10,320)	3,350	22,120	-	-	-
Other assets	(78,549)	-	-	-	(45,720)	-	(13,776)	(19,053)
Accounts payable accrued expenses	(138,169)	-	(3,766)	(55,927)	(66,754)	9,741	(9,881)	(13,582)
Deferred grant income	27,235	-	27,235	-	-	-	-	-
Deferred income - other	(61,918)	-	1,355	-	(43,650)	-	-	(19,803)
Deposits	10,625	-	-	10,625	-	-	-	-
	<u>385,861</u>	<u>-</u>	<u>69,827</u>	<u>27,469</u>	<u>214,707</u>	<u>(5,048)</u>	<u>(103,599)</u>	<u>180,505</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES								
CASH FLOWS FROM INVESTING ACTIVITIES:								
Acquisition of land, buildings & equipment	(323,667)	-	(52,205)	(98,642)	(57,778)	(7,466)	(28,453)	(79,123)
Increase in long-term investments	(9,697)	-	-	-	-	(7,466)	(28,453)	(49,677)
	<u>(333,364)</u>	<u>-</u>	<u>(52,205)</u>	<u>(98,642)</u>	<u>(57,778)</u>	<u>(7,466)</u>	<u>(28,453)</u>	<u>(128,800)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:								
Decrease (Increase) in Inter-division receivables	-	62,851	-	-	-	-	-	(62,851)
Increase (Decrease) in Inter-division payables	-	(62,851)	(25,664)	27,386	(92,987)	16,558	137,558	-
Decrease in loan payable - other	(6,748)	-	-	-	-	-	(5,573)	(1,175)
Decrease in Long-term debt	(35,000)	-	(35,000)	-	-	-	-	-
	<u>(41,748)</u>	<u>-</u>	<u>(60,664)</u>	<u>27,386</u>	<u>(92,987)</u>	<u>16,558</u>	<u>131,985</u>	<u>(64,026)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES								
NET INCREASE (DECREASE) IN CASH	<u>(31,251)</u>	<u>-</u>	<u>(43,042)</u>	<u>(43,787)</u>	<u>61,942</u>	<u>4,044</u>	<u>(67)</u>	<u>(12,341)</u>
Cash and restricted cash at beginning of year	1,490,563	-	337,372	55,874	209,277	8,008	2,292	877,740
Cash and restricted cash at end of year	<u>\$1,459,312</u>	<u>-</u>	<u>\$294,330</u>	<u>\$12,087</u>	<u>\$271,219</u>	<u>\$12,052</u>	<u>\$2,225</u>	<u>\$865,399</u>

The notes are considered an integral part of these financial statements.
 GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION EXHIBIT D
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
AS AT SEPTEMBER 30,
=====

ASSETS -----	<u>1995</u>	<u>1994</u>
CURRENT ASSETS		
Cash in bank	\$112,826	\$132,708
Restricted cash	1,346,486	1,357,855
Accounts receivable	105,854	105,244
Prepaid expenses	51,132	66,282
TOTAL CURRENT ASSETS	<u>1,616,298</u>	<u>1,662,089</u>
PROPERTY AND EQUIPMENT		
Land	632,428	632,428
Building and improvements	2,575,491	2,557,049
Equipment	4,073,530	3,818,504
Leasehold improvements	595,031	578,252
Furniture and fixtures	249,744	216,324
Motor vehicles	5,604	5,604
	<u>8,131,828</u>	<u>7,808,161</u>
Less: Accumulated depreciation	3,386,236	3,025,627
PROPERTY AND EQUIPMENT, NET	<u>4,745,592</u>	<u>4,782,534</u>
OTHER ASSETS		
Station license, net of amortization of \$75,000	5,000	9,000
Other, including deposits	131,734	63,810
Program endowment, restricted	379,102	329,405
TOTAL OTHER ASSETS	<u>515,836</u>	<u>402,215</u>
TOTAL ASSETS	<u><u>\$6,877,726</u></u>	<u><u>\$6,846,838</u></u>

PACIFICA FOUNDATION
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
AS AT SEPTEMBER 30,
=====

	1995	1994
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$372,236	\$510,407
Loans payable - other	5,185	4,499
Deferred grant income	38,168	10,933
Loans payable - Bank - current portion	35,000	35,000
Deferred income - other	116,963	178,878
Deposits	1,200	1,200
TOTAL CURRENT LIABILITIES	568,752	740,917
LONG-TERM DEBT, NET OF CURRENT MATURITIES	600,475	642,909
TOTAL LIABILITIES	1,169,227	1,383,826
COMMITMENTS AND CONTINGENCIES	-	-
FUND BALANCE (Exhibit E)	5,708,499	5,463,012
TOTAL LIABILITIES AND FUND BALANCE	\$6,877,726	\$6,846,838

PACIFICA FOUNDATION
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30,
=====

	1995	1994
REVENUE		
Listener support / Donations	\$5,317,268	\$4,598,687
Grants	1,533,903	1,447,090
Community events	549,404	602,403
SCA income	773,748	747,617
Miscellaneous	462,375	401,216
	8,636,698	7,797,013
DONATED SERVICES, MATERIALS AND FACILITIES (Schedule E-I)	286,310	337,471
TOTAL REVENUE	8,923,008	8,134,484
EXPENDITURES		
Program services	4,608,988	4,763,300
Management & general	1,633,665	1,542,863
Fund raising	1,751,714	1,410,015
Community events	396,844	411,313
TOTAL EXPENDITURES	8,391,211	8,127,491
DONATED SERVICES, MATERIALS AND FACILITIES (Schedule E-I)	286,310	337,471
TOTAL EXPENSES	8,677,521	8,464,962
EXCESS OF REVENUE OVER EXPENSES	245,487	(330,478)
FUND BALANCE - Beginning of year	5,463,012	5,793,490
FUND BALANCE - End of year	\$5,708,499	\$5,463,012

The notes are considered an integral part of these financial statements.
GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION
 CONSOLIDATED SCHEDULE OF DONATED SERVICES, MATERIALS AND FACILITIES
 FOR THE YEAR ENDED SEPTEMBER 30,
 =====

DONATED SERVICES, MATERIALS AND FACILITIES	1995	1994
Accounting & legal	\$17,722	\$14,104
Technical	61,065	60,105
Fund raising and development	17,545	34,016
Programming service	184,284	224,034
Operating expenses	3,694	5,212
Other professional services	2,000	-
TOTAL DONATED SERVICES AND MATERIALS EXCLUDING EQUIPMENT	\$286,310	\$337,471

DONATED EQUIPMENT

Equipment (included in listener support/donations)	\$0	\$35,413
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PACIFICA FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT SEPTEMBER 30,
=====

	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$245,487	(\$330,478)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	\$364,610	\$363,075
In-kind contributions of equipment	0	(4,400)
Changes in assets & liabilities:		
Accounts receivable	(610)	4,096
Prepaid expenses	15,150	34,018
Other assets	(78,549)	(2,991)
Accounts payable accrued expenses	(138,169)	200,845
Deferred grant income	27,235	(74,931)
Deferred income - other	(61,918)	(34,025)
Deposits	10,625	(22,700)
NET CASH PROVIDED BY OPERATING ACTIVITIES	383,861	132,509
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of land, buildings & equipment	(323,667)	(211,653)
Increase in long-term investments	(49,697)	2,923
	(373,364)	(208,730)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in loan payable - other	(6,748)	(996)
Decrease in Long-term debt	(35,000)	(35,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(41,748)	(35,996)
NET INCREASE (DECREASE) IN CASH	(31,251)	(112,217)
Cash and restricted cash at beginning of year	1,490,563	1,602,780
Cash and restricted cash at end of year	\$1,459,312	\$1,490,563

The notes are considered an integral part of these financial statements.
GETZ, KRYCLER & JAKUBOVITS AN ACCOUNTANCY CORPORATION

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994.

NOTE 1 - ORGANIZATION

Organization and Description of Operations

Pacifica Foundation was organized in 1949 and currently operates, on a non-profit basis, five FM radio stations maintaining a program tape library which is used to sell and rent taped programs.

The financial statements include the operations of the following units:

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 Units

All significant inter-division accounts have been eliminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Recognition from Grants and Earmarked Funds

Funds received under grants from various governmental agencies and private sources are shown as deferred income when received. These amounts are recorded as income when the funds are disbursed in order to more closely match revenue with the related expenditure.

Income Taxes

The Foundation has qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Intangible Assets

The cost of a broadcasting license is being amortized on a straight-line method over 20 years from the date of acquisition (1977). Amortization charged to operations amounted to \$4,000 in the year ended September 30, 1995 and \$4,000 in the year ended September 30, 1994. (Radio station - WPFW).

The foundation also owns the broadcasting licenses of its other four stations. These licenses were acquired at no cost to the Foundation.

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Expenditures for individual building improvements and equipment in excess of \$300 are capitalized; the estimated fair value (generally appraisal value) of donated fixed assets is similarly capitalized. Depreciation on these assets is being provided by straight-line method over the estimated useful lives of the assets.

Donated Services, Materials and Facilities

In-kind contributions of services, materials and facilities represent individually provided professional services valued at the donor's normal compensation to the general public. These services typically consist of legal and accounting service, advertising, professional contract services and program function. These contributions have been valued at the fair market value of the services to the general public.

Financial Statement Format - Statement of Revenue and Expenses and Fund Balance

In order to conform to Non-profit entity reporting standards, expenses have been allocated to specific categories under the following major groups: Program Expenditures, Fundraising and Development, and General and Administrative. Allocations of operating expenses are based on personnel costs and use of space as appropriate.

NOTE 3 - RESTRICTED CASH

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

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 3 - LOANS PAYABLE, CONTRACTS PAYABLE, LONG-TERM DEBT

Loans Payable - Other, consisted of the following:

	<u>September 30, 1995</u>		<u>September 30, 1994</u>	
	<u>Current</u>	<u>Long-Term</u>	<u>Current</u>	<u>Long-Term</u>
<u>National Office</u> Lease payable, secured by equipment, bearing interest at 21.9% per annum, principle and interest due in monthly installments of \$118. The final payment is due January 1996.	\$ 451	\$ -	\$ 1,174	\$ 452
<u>WPFW-FM</u> Lease payable, secured by equipment, bearing interest at 12.7% per annum, principle and interest due in monthly installments of \$630. The final payment is due December 1999.	<u>4,734</u>	<u>19,642</u>	<u>3,325</u>	<u>26,624</u>
Total Loans Payable - Other	<u>5,185</u>	<u>19,642</u>	<u>4,499</u>	<u>27,076</u>
Loan Payable - Bank, consisted of the following:				
<u>KPFA-FM</u> A 15-year real estate loan secured by land, building and equipment (except for equipment & fixtures funded by an NTIA Grant). The terms of the loan call for monthly repayments of principle on a fixed schedule and monthly payments of interest at the bank's prime rate plus 1% with a 10.5% cap and a 7% floor. The interest rate at September 30, 1995 was 9.75%.	<u>35,000</u>	<u>580,833</u>	<u>35,000</u>	<u>615,833</u>
Total Loan Payable - Bank	<u>35,000</u>	<u>580,833</u>	<u>35,000</u>	<u>615,833</u>
TOTAL LOANS PAYABLE, CONTRACTS PAYABLE, LONG-TERM DEBT	<u>\$40,185</u>	<u>\$600,475</u>	<u>\$39,499</u>	<u>\$642,909</u>

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 5 - LISTENER SUPPORT/DONATIONS

Included in Listener support/Donation income of Radio Station KPFA for the year ended September 30, 1995 is \$38,076 (donated in relation to a capital campaign for the purpose of building the new offices and studios in Berkeley, California).

NOTE 6 - GRANT REVENUE

Grant Revenue was recognized from the following sources:

For the fiscal year ended September 30, 1995:

	<u>Total</u>	<u>Corporation For Public Broadcasting (see below)</u>	<u>Other Federal</u>	<u>City State and other</u>
KPFA	\$ 567,081	\$ 355,305	\$56,277	\$155,499
KPFK	223,846	209,346	-	14,500
WBAI	377,333	367,833	-	9,500
KPFT	104,618	104,618	-	-
WPFW	194,425	161,425	-	33,000
National Office	<u>66,600</u>	<u>-</u>	<u>7,000</u>	<u>59,600</u>
	<u>\$1,533,903</u>	<u>\$1,198,527</u>	<u>\$63,277</u>	<u>\$272,099</u>

For the fiscal year ended September 30, 1994:

	<u>Total</u>	<u>Corporation For Public Broadcasting (see below)</u>	<u>Other Federal</u>	<u>City State and other</u>
KPFA	\$ 601,463	\$ 350,465	-	\$250,998
KPFK	185,333	175,333	-	10,000
WBAI	335,031	330,731	-	4,300
KPFT	90,285	88,103	-	2,182
WPFW	189,978	153,203	-	36,775
National Office	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
	<u>\$1,447,090</u>	<u>\$1,097,835</u>	<u>-</u>	<u>\$349,255</u>

Federal funding for the corporation for public broadcasting has been budgeted through September 1995. Such funding is currently under review by the Federal government, and proposals have been made to cut back or eliminate entirely these funds.

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 6 - GRANT REVENUE (continued)

Grant revenue recognized as income includes amounts deferred at September 30, 1993 and 1994, and excludes amounts deferred at September 30, 1994 and 1995 for the years ended September 30, 1994 and 1995 respectively.

Grant revenue is received for both capital equipment acquisition and station operations.

NOTE 7 - LEASE COMMITMENTS, OFFICES AND FACILITIES

The foundation leases offices and operating facilities under operating leases providing for minimum future rentals at WBAI-FM and WPFW-FM.

Generally, the leases provide that insurance, maintenance and taxes are to be paid by the lessee.

Net rental expense for operating facilities charged to operations for the year ended September 30, 1995 and September 30, 1994 amounted to \$250,883 and \$248,060.

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

STUDIO RENT

<u>Fiscal Year</u> <u>Ended</u>	<u>Total</u>	<u>WPFW</u>	<u>WBAI</u>
9/30/96	\$237,288	\$ 92,988	\$144,300
9/30/97	144,300	-	144,300
9/30/98	96,200	-	96,200
9/30/99	-	-	-
9/30/00	-	-	-
Subsequent	-	-	-
	<u>\$477,788</u>	<u>\$ 92,988</u>	<u>\$384,800</u>

TOWER RENT

<u>Fiscal Year</u> <u>Ended</u>	<u>Total</u>	<u>WPFW</u>	<u>WBAI</u>	<u>KPFT</u>
9/30/96	\$ 184,658	\$ 18,408	\$ 150,960	\$15,290
9/30/97	169,368	18,408	150,960	-
9/30/98	169,368	18,408	150,960	-
9/30/99	169,368	18,408	150,960	-
9/30/00	169,368	18,408	150,960	-
Subsequent	666,740	-	666,740	-
	<u>1,528,870</u>	<u>92,040</u>	<u>1,421,540</u>	<u>15,290</u>
TOTAL	<u>\$2,006,658</u>	<u>\$185,028</u>	<u>\$1,806,340</u>	<u>\$15,290</u>

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 8 - EQUIPMENT RENTAL

Included in equipment rental for the years ended September 30, 1995 are the following:

WBAI-FM

WBAI is currently obligated under a radio tower rental agreement entered into in January, 1992 for 14 years at a monthly rental subject to annual cost of living adjustments. The monthly rental as of September 30, 1995 was \$12,580 (\$150,960 per annum).

WPFW-FM

WPFW is currently obligated under a radio tower rental agreement entered on January 1, 1988 for fourteen years at a monthly rental subject to annual cost of living adjustments. The monthly rental for the year ended September 30, 1995 was \$1,534 (\$18,408 per annum).

KPFT-FM

KPFT is currently obligated under a radio tower rental agreement entered into in March 1991 for five years at a monthly rental of \$3,058 (\$36,696 per annum).

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 9 - MISCELLANEOUS INCOME

Miscellaneous income for the year ended September 30, 1995, consisted of the following:

	<u>Total</u>	<u>KPFA</u>	<u>KPFK</u>	<u>WBAI</u>	<u>KPFT</u>	<u>WPFW</u>	<u>National Office</u>
Tape sales (recorded programs)	\$ 65,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,230
Rental of mailing lists	62,631	-	-	-	-	-	62,631
Rental of premises (net)	94,835	83,285	-	-	-	11,550	-
Interest	73,579	13,796	1,557	3,118	361	288	54,459
Radio news feeds	130,856	-	-	-	-	-	130,856
Program guide advertising	23,215	20,006	150	3,059	-	-	-
Miscellaneous	<u>24,029</u>	<u>9,939</u>	<u>4,998</u>	<u>3,665</u>	<u>1,131</u>	<u>-</u>	<u>4,296</u>
	474,374	127,026	6,705	9,842	1,492	11,838	317,472
Eliminations	(<u>12,000</u>)	(<u>12,000</u>)	-	-	-	-	-
	<u>\$462,375</u>	<u>\$115,026</u>	<u>\$ 6,705</u>	<u>\$9,842</u>	<u>\$1,492</u>	<u>\$11,838</u>	<u>\$317,472</u>

Miscellaneous income for the year ended September 30, 1994, consisted of the following:

	<u>Total</u>	<u>KPFA</u>	<u>KPFK</u>	<u>WBAI</u>	<u>KPFT</u>	<u>WPFW</u>	<u>National Office</u>
Tape sales (recorded programs)	\$ 79,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,616
Rental of mailing lists	46,795	-	-	-	-	-	46,795
Rental of premises (net)	58,360	57,460	900	-	-	-	-
Interest	81,594	18,447	1,390	1,156	182	216	60,203
Radio news feeds	112,955	-	-	-	-	-	112,955
Program guide advertising	15,669	12,366	625	2,678	-	-	-
Miscellaneous	<u>18,227</u>	<u>12,657</u>	<u>1,760</u>	<u>1,676</u>	<u>691</u>	<u>-</u>	<u>1,443</u>
	413,216	100,930	4,675	5,510	873	216	301,012
Eliminations	(<u>12,000</u>)	(<u>12,000</u>)	-	-	-	-	-
	<u>\$401,216</u>	<u>\$ 88,930</u>	<u>\$ 4,675</u>	<u>\$5,510</u>	<u>\$873</u>	<u>\$216</u>	<u>\$301,012</u>

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 10 - SCA INCOME

Pacifica Foundation entered into subcarrier agreements in March 1984, whereby outside companies would be allowed to use a portion of certain Pacifica station's basebands in order to broadcast signals to the outside companies' subscribers. The initial terms of the agreements were five years from start of operations at each respective station. Subsequent to the initial agreement, some of the leases have expired, some have renewed, and various additional agreements have been entered into.

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.

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

NOTE 11 - DONATED SERVICES - VOLUNTEERS

Donated services, materials and facilities, shown in these financial statements, consist of amounts of support received for the years ended September 30, 1995 and 1994, by individuals and organizations supplying their regular professional services, materials and facilities.

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

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 11 - DONATED SERVICES - VOLUNTEERS (Continued)

The amount of these volunteer services, limited for matching purposes for Corporation for Public Broadcasting (CPB) to five percent of the non-federal financial support is as follows for the years ended September 30, 1995 and September 30, 1994:

	<u>1995</u>	<u>1994</u>
KPFA		
KPFK	\$105,279	\$108,943
WBAI	57,108	57,299
KPFT	115,622	104,606
WPFW	19,990	17,516
	<u>29,860</u>	<u>22,966</u>
	<u>\$327,859</u>	<u>\$311,330</u>

This amount, as stated, has been limited to the five percent maximum set by the CPB.

The actual amount of donated personal services of volunteers, when based on the recorded hours and based on the rates approved by the CPB is in excess of \$327,859 and \$311,330 for the years ended September 30, 1995 and 1994 respectively.

NOTE 12 - PROPERTY AND EQUIPMENT

Included in the property and equipment as held at September 30, 1995 and September 30, 1994 is certain technical equipment acquired with the assistance of government grants.

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

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 12 - PROPERTY AND EQUIPMENT (Continued)

At September 30, 1995, the following assets were owned:

	<u>Approximate Cost</u>	<u>End of 10 Year Period</u>
KPFA (a)	\$221,635	
(b)	35,077	2001
(c)	3,000	2003
KPFT	118,000	2004
WPFW (a)	24,504	1997
(b)	26,442	2003
(c)	34,508	1997
National Office/PRN	94,318	2004
National Office/PPS/PRA	11,502	1997
National Office	<u>15,000</u>	1997
	<u>\$583,986</u>	2004

NOTE 13 - CENTRAL SERVICES

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

NOTE 14 - DEFERRED INCOME - OTHER

Deferred income at September 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
<u>National Office</u>		
Prepayments on tape sales	\$ 17,175	\$ 11,978
Prepayment of SCA contract	-	25,000
<u>WBAI-FM AND KPFA-FM</u>		
Deposits collected and held from vendors for December 1995 and 1994	<u>99,788</u>	<u>141,903</u>
Christmas Crafts Fair	<u>\$116,963</u>	<u>\$178,881</u>

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 14 - DEFERRED INCOME - OTHER (Continued)

Amounts of \$50,733 and \$51,014 of expenses of WBAI and KPFA relating to the December 1995 and 1994 Christmas Crafts Fair are included in prepaid expenses.

NOTE 15 - DEPOSITS

Deposits at September 30, 1995 include security deposits held by KPFA related to tenants leasing various property acquired during the year ended September 30, 1991.

NOTE 16 - PROGRAM ENDOWMENT, RESTRICTED

In April 1991 Pacifica received a donation which the grantor and Pacifica's Board intended be held as an endowment. It is management's intention to invest the endowment in various long-term equities. A portion of the annual investment income is intended to be used for various Pacifica activities while the remainder is intended to be retained and used to increase the endowment's "principle". The endowment is recorded on the books at cost. The current value of the endowment, stated at the fair market value, is \$395,367 (including amortized bond discount of \$3,943).

NOTE 17 - PENDING LEGAL MATTERS

Communications Attorneys

Pacifica's communications attorneys have advised management that there are no pending or threatened litigations, claims, or assessments or other contingencies as to which they are aware of.

PACIFICA FOUNDATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 1995 AND 1994

NOTE 18 - CHARITABLE REMAINDER TRUST

In December 1990 Pacifica was named trustees and principle beneficiaries of a charitable remainder trust. The terms of the trust call for monthly percentage of principle payments to named income beneficiaries. Required monthly payments are to be paid first out of trust income, then out of trust principle, with any excess trust income added to principle. Annual trust administrative costs are to be paid out of trust assets. Upon expiration of the trust term of twenty years, or, if earlier, upon the death of the last income beneficiary, trust assets revert to Pacifica Foundation. The market value of trust assets at September 30, 1995 was \$114,059.

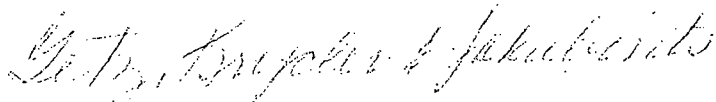
REPORT OF THE INDEPENDENT AUDITORS

Board of Directors
Pacifica Foundation
Los Angeles, California

We have audited the accompanying balance sheets of the Pacifica Foundation (a nonprofit organization) at September 30, 1995 and 1994, and the related statements of revenue, expenses and fund balance, cash flows, and the related schedules listed in the accompanying index for each of the two years in the period ended September 30, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audits provide 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, 1995 and 1994, and the results of its operations and its cash flows for each of the two years in the period ended September 30, 1995 in conformity with generally accepted accounting principles.



Getz, Krycler & Jakubovits
An Accountancy Corporation

February 17, 1996