
Pacifica Foundation

Financial Statements

September 30, 2009 and 2008

With

Report of Independent Auditors

Pacifica Foundation

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September 30, 2009

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Pacifica Foundation
Berkeley, California

We have audited the accompanying statements of financial position of Pacifica Foundation as of September 30, 2009 and 2008, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Pacifica Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We have conducted our audits 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 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 Pacifica Foundation as of September 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 18 to the financial statements, Pacifica Foundation restated the 2008 statement of financial position and the related statements of activities, cash flows and functional expenses as of September 30, 2008.

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP

San Francisco, California
March 19, 2010

Pacifica Foundation
Statements of Financial Position
As of September 30, 2009 and 2008

	2009	2008 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,021,041	1,482,187
Restricted cash	675,108	716,911
Investments	175,704	280,401
Pledges and other receivables, net	1,648,622	3,398,271
Premium inventory	144,621	254,929
Prepaid expenses	83,817	68,058
Total current assets	<u>3,748,913</u>	<u>6,200,757</u>
Property and equipment, net	3,135,316	3,300,594
Intangibles and other assets	57,050	57,050
Total assets	<u>\$ 6,941,279</u>	<u>9,558,401</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 990,338	896,156
Advances under line of credit	100,000	300,000
Current portion of lease payable	5,266	5,266
Accrued expenses	341,413	168,707
Accrued benefits	438,246	485,994
Deferred rent liability	578,917	508,481
Total current liabilities	<u>2,454,180</u>	<u>2,364,604</u>
Lease payable, long term	1,317	6,583
Total liabilities	<u>2,455,497</u>	<u>2,371,187</u>
Net assets:		
Unrestricted net assets	3,123,561	5,848,681
Temporarily restricted net assets	246,166	222,478
Permanently restricted net assets	1,116,055	1,116,055
Total net assets	<u>4,485,782</u>	<u>7,187,214</u>
Total net assets and liabilities	<u>\$ 6,941,279</u>	<u>9,558,401</u>

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Statements of Activities
For the Years Ended September 30, 2009 and 2008

	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support:								(Restated)
Listener support/donations	\$ 9,808,729	-	-	9,808,729	\$ 13,534,117	-	-	13,534,117
Grants	1,104,781	546,879	-	1,651,660	1,276,619	626,229	50,000	1,952,848
Community events	635,897	-	-	635,897	730,696	-	-	730,696
Sub-channel income	210,000	-	-	210,000	149,000	-	-	149,000
Other revenue	276,985	-	-	276,985	305,723	-	-	305,723
Investment income	11,564	-	-	11,564	96,524	-	-	96,524
Net assets released from restrictions	523,191	(523,191)	-	-	500,336	(500,336)	-	-
Total revenue and support	12,571,147	23,688	-	12,594,835	16,593,015	125,893	50,000	16,768,908
Expenses:								
Program services	7,707,224	-	-	7,707,224	8,769,903	-	-	8,769,903
Management and general	4,178,079	-	-	4,178,079	4,506,354	-	-	4,506,354
Fundraising and development	3,410,964	-	-	3,410,964	3,925,812	-	-	3,925,812
Total expenses	15,296,267	-	-	15,296,267	17,202,069	-	-	17,202,069
Changes in net assets	(2,725,120)	23,688	-	(2,701,432)	(609,054)	125,893	50,000	(433,161)
Net assets, beginning of year	5,848,681	222,478	1,116,055	7,187,214	6,457,735	96,585	1,066,055	7,620,375
Net assets, end of year	\$ 3,123,561	246,166	1,116,055	4,485,782	\$ 5,848,681	222,478	1,116,055	7,187,214

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Statements of Cash Flows
For the Years ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		(Restated)
Changes in net assets	\$ (2,701,432)	(433,161)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Contributions restricted for non-operating use	-	(112,622)
Depreciation and amortization	304,230	341,780
Net depreciation in investments	21,473	52,953
Restricted cash	(254,997)	107,706
Changes in operating assets and liabilities:		
Pledges and other receivables	1,749,649	(1,361,400)
Premium Inventory	110,308	(123,802)
Prepaid expenses and other current assets	(15,759)	50,708
Intangibles and other assets	-	7,800
Accounts payable	94,182	550,744
Accrued expenses	172,706	(49,970)
Accrued benefits	(47,748)	(73,272)
Deferred rent liability	70,436	508,481
Net cash used in operating activities	<u>(496,952)</u>	<u>(534,055)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(138,952)	(274,745)
Purchases of investments	(7,095)	(319,737)
Proceeds from sale of property and equipment	-	2,672
Proceeds from sales of investments	90,319	675,842
Restricted cash	(15,000)	(243,111)
Net cash used in investing activities	<u>(70,728)</u>	<u>(159,079)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of funds restricted for capital projects	-	112,622
Proceeds from line of credit	100,000	300,000
Payments made on line of credit	(300,000)	-
Payments made on capital leases	(5,266)	(5,267)
Payments made on note payable	-	(7,214)
Restricted cash	311,800	(411,800)
Net cash provided by (used in) financing activities	<u>106,534</u>	<u>(11,659)</u>
Net decrease in cash and cash equivalents	(461,146)	(704,793)
Cash and cash equivalents, beginning of year	1,482,187	2,186,980
Total cash and cash equivalents, end of year	<u>\$ 1,021,041</u>	<u>1,482,187</u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	<u>\$ 17,653</u>	<u>6,938</u>
Income taxes paid	<u>\$ -</u>	<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, 2009
(With Combined Comparative Totals for 2008)

	Program Services	Management and General	Fundraising and Development	2009 Total	2008 Total (Restated)
Expenses:					
Personnel costs	\$ 4,735,268	1,857,543	1,080,828	7,673,639	8,707,845
Advertising and promotion	3,519	-	22,826	26,345	39,516
Association and periodicals	6,414	5,663	8,759	20,836	24,579
Bank charges	569	45,093	212,683	258,345	274,020
Board expense	-	265,687	101	265,788	377,977
Communications expense	67,223	323,074	5,486	395,783	410,862
Community events and development	-	-	331,640	331,640	567,130
Computer maintenance	86,153	33,796	19,665	139,614	225,839
Depreciation and amortization	187,735	73,644	42,851	304,230	341,780
Direct mail and telemarketing	19,546	-	393,836	413,382	551,367
Donor recognition	1,133	38	999,779	1,000,950	855,018
Equipment rental	1,823	73,498	13,508	88,829	77,530
Insurance expense	-	211,788	-	211,788	222,410
Interest expense	8,241	23,119	-	31,360	-
Miscellaneous	13,823	5,423	3,155	22,401	54,594
Occupancy	705,605	276,793	161,055	1,143,453	1,426,456
Office expense	46,580	18,272	10,632	75,484	121,365
Professional fees	47,960	561,833	6,605	616,398	576,219
Programming costs	1,355,058	-	-	1,355,058	1,512,622
Repairs and maintenance	126,368	49,571	28,844	204,783	206,983
Settlement fees	-	180,000	-	180,000	-
Tapes and supplies	51,299	1,239	11,467	64,005	118,532
Taxes, fines and filing fees	300	47,060	780	48,140	22,212
Training expense	4,348	3,179	3,639	11,166	47,289
Travel	7,997	31,439	268	39,704	45,803
Utilities	230,262	90,327	52,557	373,146	394,121
Total expenses	<u>\$ 7,707,224</u>	<u>4,178,079</u>	<u>3,410,964</u>	<u>15,296,267</u>	<u>17,202,069</u>

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Statement of Functional Expenses
For the Year Ended September 30, 2008 (Restated)

	Program Services	Management and General	Fundraising and Development	Total
Expenses:				
Personnel costs	\$ 5,225,802	2,199,231	1,282,812	8,707,845
Advertising and promotion	-	5,497	34,019	39,516
Association and periodicals	1,956	9,765	12,858	24,579
Bank charges	-	49,317	224,703	274,020
Board expense	-	377,637	340	377,977
Communications expense	84,718	319,586	6,558	410,862
Community events and development	201	-	566,929	567,130
Computer maintenance	135,532	57,037	33,270	225,839
Depreciation and amortization	205,111	86,319	50,350	341,780
Direct mail and telemarketing	26,279	1,233	523,855	551,367
Donor recognition	-	24	854,994	855,018
Equipment rental	3,212	66,611	7,707	77,530
Insurance expense	150	222,260	-	222,410
Interest expense	-	-	-	-
Miscellaneous	32,782	13,796	8,016	54,594
Occupancy	856,034	360,254	210,168	1,426,456
Office expense	72,834	30,652	17,879	121,365
Professional fees	96,972	474,229	5,018	576,219
Programming costs	1,512,622	-	-	1,512,622
Repairs and maintenance	124,216	52,275	30,492	206,983
Settlement fees	-	-	-	-
Tapes and supplies	91,024	1,641	25,867	118,532
Taxes, fines and filing fees	3,564	17,026	1,622	22,212
Training expense	29,017	15,784	2,488	47,289
Travel	22,560	22,615	628	45,803
Utilities	245,317	123,565	25,239	394,121
Total expenses	<u>\$ 8,769,903</u>	<u>4,506,354</u>	<u>3,925,812</u>	<u>17,202,069</u>

The accompanying notes are an integral part of these financial statements

Pacifica Foundation

Notes to the Financial Statements

September 30, 2009 and 2008

1. Organization

Pacifica Foundation (Foundation) was incorporated under the Nonprofit Corporation Law of the State of California on August 24, 1946 and was recognized as a tax exempt Foundation on August 16, 1950 under section 101 (c) of the 1939 Internal Revenue Code which now corresponds with the IRC 501 (c) (3) as a public charity. Pacifica currently operates on a not-for-profit basis, five FM radio stations and maintains a program tape library which is used to sell and rent taped programs to other non-commercial radio stations, news services, schools, colleges, universities and the general public. Contributions are used to support non-commercial radio stations and to create public affairs programming which is available to approximately 125 affiliated non-commercial radio stations.

The financial statements include the operations of the following divisions:

Radio Station-KPFA-Berkeley, California
Radio Station-KPFK-Los Angeles, California
Radio Station-KPFT-Houston, Texas
Radio Station-WBAI-New York, New York
Radio Station-WPFW-Washington, D.C.
Radio Station-National Division (National Office)
Pacific Radio Archives-PRA
All significant inter-division accounts have been eliminated.

1. Summary of Significant Accounting Policies

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

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with 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 action of the Board of Directors or otherwise limited by contractual arrangements with outside parties.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

2. Summary of Significant Accounting Policies - continued

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

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

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

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

Cash and Cash Equivalents

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

Allowance for Doubtful Accounts

Accounts receivable are shown net of allowance for doubtful accounts. After review of accounts receivables aging, management estimated necessary reserves of \$134,051 at September 30, 2009. There were no reserves at September 30, 2008.

Inventory

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

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

2. Summary of Significant Accounting Policies - continued

Revenue Recognition

Contribution revenue is recognized when the donor makes a promise to give that is, in substance, unconditional. Grant revenue is recognized as earned as expenses are incurred. Contributions of assets other than cash are recorded at fair value at the date of donation. In accordance with the provision of Accounting Standards Codification 958-605, “*Accounting for Contributions Received and Contributions Made*”, contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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

Donated Facilities and Services

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Donated services are recognized as contributions in accordance with 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 Foundation.

Functional Allocation of Expenses

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of accounts receivable, depreciation and amortization, accrued liabilities, and the allocation of functional expenses.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

2. Summary of Significant Accounting Policies - continued

Property and Equipment

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

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

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

Intangible Assets

Pacifica owns the broadcasting licenses of all five stations, four of which were acquired at no cost. The cost of the fifth license (WPFW) was 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 financial statements include accrued vacation benefits of \$334,888 and \$380,159 as of September 30, 2009 and 2008, respectively.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

2. Summary of Significant Accounting Policies - continued

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.

In February 2008, the FASB Staff Position (FSP) delays the effective dates of Accounting Standard Codification 820 for all non-financial assets and non-financial liabilities, excluding those assets that are recognized or disclosed at fair value on a recurring basis for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years.

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 to only 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.

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 model Uniform Prudent Management of Institutional Funds Act (UPMIFA) that was approved by the Uniform Law Commission to modernize the

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

2. Summary of Significant Accounting Policies - continued

Uniform Management of Institutional Funds Act of 1972 (UMIFA) for governing the investment and management of donor-restricted endowment funds by not-for-profit Foundation. 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. 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, 2009 and 2008, the restricted cash consisted of:

	2009	2008
Building fund-WBAI	\$ 65,800	50,800
Building fund-WPFW	231,311	231,311
Heath Foundation-NO	254,997	-
National Telecommunications and Information Administration -KPFT	23,000	23,000
Wells Fargo Bank-KPFA	100,000	411,800
Total	\$ <u>675,108</u>	<u>716,911</u>

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

4. Property and Equipment

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

	<u>2009</u>	<u>2008</u>
Land	\$ 632,428	632,428
Buildings and improvements	3,178,611	3,064,540
Leasehold improvements	733,673	733,673
Fixtures and furniture	357,302	359,504
Equipment	8,264,092	8,268,462
Total	<u>13,166,106</u>	<u>13,058,607</u>
Less: accumulated depreciation	<u>(10,030,790)</u>	<u>(9,758,013)</u>
Total	<u>\$ 3,135,316</u>	<u>3,300,594</u>

Depreciation and amortization of property and equipment amounted to \$304,230 and \$341,780 for the years ended September 30, 2009 and 2008, respectively.

Included in the property and equipment held at September 30, 2009 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, 2009, 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
WBAI	38,966	2010
WPFW	125,500	2012
Total	<u>\$ 416,702</u>	

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

5. Investments

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

	2009		2008	
	Cost	Fair	Cost	Fair
Certificate of Deposits	\$ 25,000	25,080	25,000	24,938
Equities	144,859	119,834	156,786	150,446
Mutual Funds	13,956	10,531	13,816	12,117
US Treasuries	20,000	20,259	95,068	92,900
Total	\$ <u>203,815</u>	<u>175,704</u>	<u>290,670</u>	<u>280,401</u>

Investment income for the years ended September 30, 2009 and 2008 was comprised of the following:

	2009	2008
Interest and dividends	<u>33,037</u>	<u>149,477</u>
Realized and unrealized gain / (loss)	<u>(21,473)</u>	<u>(52,953)</u>
Net investment income	<u>11,564</u>	<u>96,524</u>

6. Fair Value of Financial Instruments

As defined in the Accounting Standard Codification 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price methodology). Accounting Standard Codification 820 establishes a framework for measuring fair value that includes a hierarchy used to classify inputs used in measuring fair value. The hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels which are either observable or unobservable. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect an entity's view of market assumptions in the absence of observable market information.

The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy defined by Accounting Standard Codification 820 are as follows:

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

6. Fair Value of Financial Instruments - continued

Level 1: Fair value is based on unadjusted quoted prices in active markets that are accessible to the Foundation for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. These generally provide the most reliable evidence and are used to measure fair value whenever available. The Foundation's Level 1 assets and liabilities include money market funds, mutual funds and marketable securities. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

Level 2: Fair value is based upon significant inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable for substantially the full term of the asset or liability through corroboration with observable market data as of the reporting date. Level 2 inputs include quoted market prices in active markets for similar assets and liabilities, quoted market prices in markets that are not active for identical or similar assets or liabilities, model-derived valuations whose inputs are observable or whose significant value drivers are observable and other observable inputs.

Level 3: Fair value is based on significant unobservable inputs which reflect the entity's or third party pricing service assumptions about the assumptions market participants would use in pricing an asset or liability. Valuations are estimated based on non-binding broker prices or internally developed valuation models or methodologies, discounted cash flow models and other similar techniques.

The following table sets forth the Foundation's assets and liabilities that are measured at fair value on a recurring basis as of the September 30, 2009 and 2008:

Description		Level 1	Level 2	Level 3	2009
Certificate of Deposits	\$	-	25,080	-	25,080
Equities		119,834	-	-	119,834
Mutual Funds		10,531	-	-	10,531
US Treasuries		20,259	-	-	20,259
	\$	<u>150,624</u>	<u>25,080</u>	<u>-</u>	<u>175,704</u>

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

6. Fair Value of Financial Instruments - continued

Description	Level 1	Level 2	Level 3	2008
Certificate of Deposits	\$ -	24,938	-	24,938
Equities	150,446	-	-	150,446
Mutual Funds	12,117	-	-	12,117
US Treasuries	92,900	-	-	92,900
	\$ <u>255,463</u>	<u>24,938</u>	<u>-</u>	<u>280,401</u>

7. Line of Credit

The Foundation has a secured line of credit agreement with Wells Fargo Bank that expires on August 1, 2010. The line allows for total borrowings of up to \$100,000 at a per annum rate of 1.0% above the bank prime rate. There was a balance of \$100,000 outstanding as of September 30, 2009. The line of credit is secured by a certificate of deposit held by the same bank. Interest expense on this line of credit during the years ended September 30, 2009 and 2008 amounted to \$17,653 and \$6,938, respectively.

8. Temporarily Restricted Net Assets

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

	2009	2008
Building fund for WBAI	\$ 65,800	50,800
Grant for environmental justice	10,396	22,882
Public awareness on the environment	37,661	6,217
Radio archives project	28,687	16,957
Digital conversion grants	-	40,000
Telephone system for WBAI	15,000	-
Technical equipment acquisition	23,000	23,000
Building fund for WPFW	62,622	62,622
Website for special programs podcasting	3,000	-
Total	\$ <u>246,166</u>	<u>222,478</u>

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

8. Temporarily Restricted Net Assets - continued

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>2009</u>	<u>2008</u>
Grant for environmental justice	\$ 27,485	13,870
Radio archives project	32,776	17,340
Public awareness on the environment	41,056	48,006
Program production and acquisition	415,638	421,120
Website for special programs podcasting	<u>6,236</u>	<u>-</u>
Total	<u>\$ 523,191</u>	<u>500,336</u>

9. Permanently Restricted Net Assets

These funds are investments in perpetuity, the income from which is expendable for operations. Certain of the endowment funds of the Foundation are subject to donor restrictions requiring that the income be used only for specified purposes. While income from the remaining endowments may be used for the general purposes of the Foundation, management has elected to treat the income on all endowments as temporarily restricted. Such endowments at September 30, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
National Office – Other endowment fund	\$ 196,055	196,055
National Office – Heath Foundation fund	375,000	375,000
KPFA – Heath Foundation	375,000	375,000
KPFA – Lutz trust endowment fund	150,000	150,000
KPFA – Other endowment fund	20,000	20,000
Total	<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.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

9. Permanently Restricted Net Assets - continued

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 gift 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. 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 accumulate 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 deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

As of September 30, 2009, endowment net asset composition by type of fund was as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment fund	\$ (43,704)	-	1,116,055	1,072,351

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

9. Permanently Restricted Net Assets - continued

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, 2009.

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 and growing distribution of funds for the 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 the Financial Statements
September 30, 2009 and 2008

10. Concentration of Credit Risk

The Foundation maintains its bank accounts at five 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 \$347,901 and \$1,521,005 on September 30, 2009 and 2008, respectively.

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, 2013.

Future minimum lease payments under these lease agreements as of September 30, 2009 are as follows:

Year ended September 30,		
2010	\$	836,159
2011		862,491
2012		824,836
2013		495,440
2014		449,924
Thereafter		<u>3,095,954</u>
Total	\$	<u>6,564,804</u>

Rent expense under these lease agreements for the fiscal years ended September 30, 2009 and 2008 amounted to approximately \$1,143,453 and \$1,426,425, respectively.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

12. Capital Lease

Pacifica Foundation has entered into a capital lease agreement for a wireless network system with a net book value of \$7,900 and \$13,166 at September 30, 2009 and 2008, respectively. Terms of the lease call for monthly payments of \$916 through December 31, 2010 at an interest rate of 9%. Future minimum lease payments are as follows:

2010	\$	10,992
2011		<u>2,750</u>
Total minimum lease payments		13,742
Less amount representing interest		<u>(7,159)</u>
Present value of net minimum lease payments		6,583
Less current portion		<u>(5,266)</u>
Long-term portion	\$	<u>1,317</u>

Interest paid during the years ended September 30, 2009 and 2008 was \$5,466 and \$5,737 respectively.

13. Pension Plan

Pacifica Foundation has a defined contribution retirement plan (“the Plan”) as established under Internal Revenue Code Section 403(b). Anyone employed by the Foundation on September 30th is eligible for participation in the Plan. For each Plan year, the Board of Directors determines the amount to be contributed to the Plan. Total contributions made by the Foundation to the Plan amounted to \$203,972 and \$178,250 for the fiscal years ended September 30, 2009 and 2008, respectively.

14. Conditional Promises

In 2008, the Foundation was the recipient of a \$1,000,000 matching challenge grant to be paid over a five year period beginning in December 2007. This grant is to match dollar for dollar fund raised for the building acquisition or maintenance of a dedicated building. The Foundation received the first payment of \$200,000 in 2008 and has recorded \$31,113 in donation support for the year ended September 30, 2008. There was no additional donation support recorded for the year ended September 30, 2009.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

15. Charitable Remainder Trusts

In December 1990, Pacifica was named principal beneficiary of the Lutz Charitable Remainder Trust. The terms of the trust calls for monthly payments to named beneficiaries. Required monthly payments are to be paid first out of trust income, then out of trust principal, with any excess trust income added to principal. Annual trust administrative costs are to be paid out of the trust's assets. Upon expiration of the trust term of twenty years, or if earlier upon the death of the last income beneficiary, the trust's assets revert to Pacifica Foundation. The market value of these trust assets at September 30, 2009 and 2008 were \$115,765 and \$122,972, respectively.

16. Pending Legal Matters

Commitments and Contingencies

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

Communications Attorneys

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

17. Income Taxes

The Foundation is exempt from federal and state taxes by a group exemption under section 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 an Foundation other than a private foundation.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

17. Income Taxes - continued

As of July 1, 2007, the Foundation adopted the Financial Standards Codification 740, *Accounting for Uncertainty in Income Taxes*. This 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.

18. Restatement

The Foundation follows Accounting Standards Codification 840, *Accounting for Operating Leases with Scheduled Rent Increases*, which requires that the effects of scheduled rent increase expense should be recognized on a straight-line basis over the term of the lease. The Foundation has restated its previously issued 2008 financial statements to correct the deferred rent liability to \$508,481.

The Foundation has restated its previously issued 2008 financial statements for a \$135,041 charitable remainder trust receivable that should have been recorded in 2008. Accordingly, the accompanying 2008 financial statements have been restated to reflect the correction.

Net assets at the beginning of 2008 also have been restated to correct a conditional contribution received from a donor that was originally presented in the prior financial statements as pledges and other receivables. In accordance with Accounting Standards Codification 958, *Accounting for Contributions Received and Contributions Made*, a conditional promise to give should not be recorded until the conditions are substantially met. A conditional contribution of \$974,411 should not have been recorded as contribution income at September 30, 2008.

Pacifica Foundation
Notes to the Financial Statements
September 30, 2009 and 2008

18. Restatement - continued

The effects of the restatement as of September 30, 2008 are as follows:

	<u>Restated</u>	<u>Previously reported</u>
Pledges and other receivables, current portion	\$ 3,398,271	3,503,230
Pledges and receivables, long-term portion	\$ -	565,722
Accounts payable and accrued expenses	\$ 1,550,857	1,382,168
Deferred rent liability	\$ 508,481	-
Grants	\$ 1,952,848	2,845,948
Occupancy expense	\$ 1,426,456	917,975
Change in net assets	\$ (433,161)	1,068,901
Temporarily restricted net assets	\$ 7,187,214	8,535,065

19. Subsequent Events

The Foundation has evaluated all subsequent events through March 19, 2010, the date of this report, and determined there are no material recognized or unrecognized subsequent events.

20. Reclassification

A permanently restricted grant in the previously issued financial statements has been reclassified to permanently restricted net assets from unrestricted restricted net assets. Also certain revenues and expenses have been reclassified in the previously issued financial statements to conform to the current year presentation. Such reclassifications have no effect on changes in net assets as previously presented

Pacifica Foundation
Financial Position Information by Division
As of September 30, 2009

	Total	Elimination	KPFA	KPKF	KPFT	WBAI	WPFW	National Division	PRA
Assets:									
Current assets									
Cash and cash equivalents	\$ 1,021,041	-	489,504	240,122	172,190	55,221	19,244	-	44,760
Restricted cash	675,108	-	100,000	-	23,000	65,800	231,311	254,997	-
Investments	175,704	-	17,872	12,891	-	1,089	3,048	140,804	-
Pledges and other receivables, net	1,648,622	-	856,550	582,235	78,921	68,271	15,357	28,170	19,118
Inter-station receivables	-	(5,503,976)	1,451,899	-	53,855	134,804	5,227	3,658,067	200,124
Premium inventory	144,621	-	29,646	56,584	17,603	29,341	11,447	-	-
Prepaid expenses	83,817	-	35,913	18,954	4,782	-	8,311	15,857	-
Total current assets	3,748,913	(5,503,976)	2,981,384	910,786	350,351	354,526	293,945	4,097,895	264,002
Property and equipment, net of accumulated depreciation	3,135,316	-	1,807,287	753,924	343,236	33,982	33,603	135,642	27,642
Intangibles and other assets	57,050	-	-	-	-	42,701	14,349	-	-
Total assets	\$ 6,941,279	(5,503,976)	4,788,671	1,664,710	693,587	431,209	341,897	4,233,537	291,644
Liabilities and net assets:									
Current liabilities									
Accounts payable	\$ 990,338	-	38,014	10,534	1,924	238,190	380,831	313,881	6,964
Advances under line of credit	100,000	-	-	-	-	-	-	100,000	-
Inter-station payables	-	(5,503,976)	309,439	367,242	459,566	1,301,507	352,810	1,477,883	1,235,529
Current portion of lease payable	5,266	-	-	5,266	-	-	-	-	-
Accrued expenses	341,413	-	183,610	62,165	-	60,877	10,003	21,273	3,485
Accrued benefits	438,246	-	168,493	90,841	28,505	57,752	37,557	30,041	25,057
Deferred rent liability	578,917	-	-	-	6,873	572,044	-	-	-
Total current liabilities	2,454,180	(5,503,976)	699,556	536,048	496,868	2,230,370	781,201	1,943,078	1,271,035
Long-term liabilities:									
Lease payable, long term	1,317	-	-	1,317	-	-	-	-	-
Total liabilities	2,455,497	(5,503,976)	699,556	537,365	496,868	2,230,370	781,201	1,943,078	1,271,035
Net assets:									
Unrestricted	3,123,561	-	3,513,058	1,107,345	173,719	(1,879,961)	(501,926)	1,719,404	(1,008,078)
Temporarily restricted	246,166	-	51,057	-	23,000	80,800	62,622	-	28,687
Permanently restricted	1,116,055	-	525,000	20,000	-	-	-	571,055	-
Total net assets	4,485,782	-	4,089,115	1,127,345	196,719	(1,799,161)	(439,304)	2,290,459	(979,391)
Total liabilities & net assets	\$ 6,941,279	(5,503,976)	4,788,671	1,664,710	693,587	431,209	341,897	4,233,537	291,644

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Activities Information by Division
For the Year ended September 30, 2009

	Total	Eliminations	KPFA	KPFK	KPFT	WBAI	WPFW	National Division	PRA
Unrestricted revenue & support:									
Listener supports and donations	\$ 9,808,729	-	2,832,464	3,037,849	908,731	1,614,595	1,067,961	214,149	132,980
Grant income	1,104,781	-	251,773	241,371	128,943	294,554	183,140	5,000	-
Community events	635,897	-	250,670	27,078	55,536	240,501	44,655	-	17,457
Sub-channel income	210,000	-	-	-	-	-	-	210,000	-
Other income	276,985	(40,538)	17,228	1,402	325	-	-	237,965	60,603
Investment income	11,564	-	17,194	(312)	348	-	135	(5,820)	19
Central services	-	(1,645,186)	-	-	-	-	-	1,472,931	172,255
Net assets released from restrictions	523,191	-	192,536	99,749	41,915	93,974	62,241	-	32,776
Total unrestricted revenue & support	<u>12,571,147</u>	<u>(1,685,724)</u>	<u>3,561,865</u>	<u>3,407,137</u>	<u>1,135,798</u>	<u>2,243,624</u>	<u>1,358,132</u>	<u>2,134,225</u>	<u>416,090</u>
Expenses:									
Program services	7,707,224	-	2,384,371	1,507,287	350,366	1,735,699	588,670	925,219	215,612
Management and general	4,178,079	-	776,489	472,985	292,853	792,584	582,462	1,079,210	181,496
Fundraising and development	3,410,964	(40,538)	826,327	891,909	405,129	621,213	569,810	70,977	66,137
Central services	-	(1,645,186)	516,567	543,481	165,613	215,911	203,614	-	-
Total expenses	<u>15,296,267</u>	<u>(1,685,724)</u>	<u>4,503,754</u>	<u>3,415,662</u>	<u>1,213,961</u>	<u>3,365,407</u>	<u>1,944,556</u>	<u>2,075,406</u>	<u>463,245</u>
Increase (decrease) in unrestricted net assets	<u>(2,725,120)</u>	<u>-</u>	<u>(941,889)</u>	<u>(8,525)</u>	<u>(78,163)</u>	<u>(1,121,783)</u>	<u>(586,424)</u>	<u>58,819</u>	<u>(47,155)</u>
Temporarily restricted net assets:									
Grant income	546,879	-	214,494	99,749	41,915	123,974	22,241	-	44,506
Net Assets Released from Restrictions	<u>(523,191)</u>	<u>-</u>	<u>(192,536)</u>	<u>(99,749)</u>	<u>(41,915)</u>	<u>(93,974)</u>	<u>(62,241)</u>	<u>-</u>	<u>(32,776)</u>
Increase (decrease) in temporarily restricted net assets	<u>23,688</u>	<u>-</u>	<u>21,958</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>(40,000)</u>	<u>-</u>	<u>11,730</u>
Increase (decrease) in permanently restricted net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets-beginning of the year	7,187,214	-	5,009,046	1,135,870	274,882	(707,378)	187,120	2,231,640	(943,966)
Net assets-end of the year	\$ <u>4,485,782</u>	<u>-</u>	<u>4,089,115</u>	<u>1,127,345</u>	<u>196,719</u>	<u>(1,799,161)</u>	<u>(439,304)</u>	<u>2,290,459</u>	<u>(979,391)</u>

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Expenses Information by Division
For the Year Ended September 30, 2009

	KPFA	KPFK	KPFT	WBAI	WPFW	National Division	PRA	Total
Expenses:								
Personnel costs	\$ 2,466,184	1,577,901	512,086	1,387,610	718,332	678,279	333,247	7,673,639
Advertising and promotion	5,092	370	1,706	8,164	10,946	-	67	26,345
Association and periodicals	6,223	8,695	4,734	-	153	542	489	20,836
Bank charges	54,334	64,549	41,376	57,263	32,733	5,525	2,565	258,345
Board expense	45,696	38,804	21,710	38,422	26,297	94,859	-	265,788
Communications expense	82,740	97,846	30,517	97,342	48,787	31,156	7,395	395,783
Community events and development	133,897	22,496	37,700	67,835	37,249	-	32,463	331,640
Computer maintenance	28,602	27,810	5,799	21,754	21,383	32,788	1,478	139,614
Depreciation and amortization	107,247	112,153	17,278	13,367	14,457	31,753	7,975	304,230
Direct mail and telemarketing	155,898	52,081	86,502	41,129	63,382	14,390	-	413,382
Donor recognition	173,744	424,176	50,505	153,153	199,372	-	-	1,000,950
Equipment rental	3,307	24,488	9,522	21,537	20,249	8,776	950	88,829
Insurance expense	9,284	10,609	-	-	-	191,895	-	211,788
Interest expense	-	5,466	-	8,241	-	17,653	-	31,360
Miscellaneous	7,549	1,370	362	-	-	13,008	112	22,401
Occupancy	840	7,491	46,911	850,817	219,990	6,598	10,806	1,143,453
Office expense	8,656	15,429	14,551	4,447	12,771	14,963	4,667	75,484
Professional fees	204,859	8,344	21,128	35,124	123,234	213,954	9,755	616,398
Programming costs	185,746	160,201	90,725	150,012	79,738	688,314	322	1,355,058
Repairs and maintenance	54,464	65,723	20,786	26,210	26,916	9,215	1,469	204,783
Settlement fees	140,000	-	-	40,000	-	-	-	180,000
Tapes and supplies	187	5,286	-	6,812	2,789	-	48,931	64,005
Taxes, fines and filing fees	20,474	8,507	13,092	9	-	6,029	29	48,140
Training expense	2,761	2,050	1,981	1,445	-	2,837	92	11,166
Travel	7,750	2,749	1,496	14,238	3,544	9,494	433	39,704
Utilities	73,557	114,449	11,989	98,113	71,660	3,378	-	373,146
Total expenses	\$ <u>3,979,091</u>	<u>2,859,043</u>	<u>1,042,456</u>	<u>3,143,044</u>	<u>1,733,982</u>	<u>2,075,406</u>	<u>463,245</u>	<u>15,296,267</u>

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Program Services Expenses Information by Division
For the Year Ended September 30, 2009

	KPFA	KPFK	KPFT	WBAI	WPFW	National Division	PRA	Total
Program Services Expenses:								
Personnel costs	\$ 1,927,737	1,119,938	162,668	943,030	274,549	147,140	160,206	4,735,268
Advertising and promotion	3,199	320	-	-	-	-	-	3,519
Association and periodicals	1,536	614	4,264	-	-	-	-	6,414
Bank charges	-	-	-	569	-	-	-	569
Board expense	-	-	-	-	-	-	-	-
Communications expense	51,394	2,755	4,227	850	4,701	2,397	899	67,223
Community events and development	-	-	-	-	-	-	-	-
Computer maintenance	17,650	17,161	3,578	13,424	13,195	20,233	912	86,153
Depreciation and amortization	66,180	69,208	10,662	8,249	8,921	19,594	4,921	187,735
Direct mail and telemarketing	16,977	2,569	-	-	-	-	-	19,546
Donor recognition	1,133	-	-	-	-	-	-	1,133
Equipment rental	-	1,823	-	-	-	-	-	1,823
Insurance expense	-	-	-	-	-	-	-	-
Interest expense	-	-	-	8,241	-	-	-	8,241
Miscellaneous	4,658	845	223	-	-	8,027	70	13,823
Occupancy	518	4,623	28,948	525,024	135,752	4,072	6,668	705,605
Office expense	5,341	9,521	8,979	2,744	7,881	9,233	2,881	46,580
Professional fees	15,600	-	15,316	390	1,054	15,600	-	47,960
Programming costs	185,746	160,201	90,725	150,012	79,738	688,314	322	1,355,058
Repairs and maintenance	33,609	40,557	12,827	16,174	16,609	5,687	905	126,368
Settlement fees	-	-	-	-	-	-	-	-
Tapes and supplies	187	4,787	-	6,448	2,049	-	37,828	51,299
Taxes, fines and filing fees	300	-	-	-	-	-	-	300
Training expense	1,511	-	-	-	-	2,837	-	4,348
Travel	5,703	1,742	552	-	-	-	-	7,997
Utilities	45,392	70,623	7,397	60,544	44,221	2,085	-	230,262
Total	\$ <u>2,384,371</u>	<u>1,507,287</u>	<u>350,366</u>	<u>1,735,699</u>	<u>588,670</u>	<u>925,219</u>	<u>215,612</u>	<u>7,707,224</u>

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Management and General Expenses Information by Division
For the Year Ended September 30, 2009

	KPFA	KPFK	KPFT	WBAI	WPFW	National Division	PRA	Total
Management and General Expenses:								
Personnel costs	\$ 252,373	203,049	185,081	293,750	271,097	492,850	159,343	1,857,543
Advertising and promotion	-	-	-	-	-	-	-	-
Association and periodicals	4,288	523	405	-	-	-	447	5,663
Bank charges	16,267	8,554	-	8,112	6,858	4,282	1,020	45,093
Board expense	45,595	38,804	21,710	38,422	26,297	94,859	-	265,687
Communications expense	27,729	95,091	25,891	96,492	42,616	28,759	6,496	323,074
Community events and development	-	-	-	-	-	-	-	-
Computer maintenance	6,924	6,732	1,404	5,266	5,176	7,937	357	33,796
Depreciation and amortization	25,961	27,149	4,182	3,236	3,500	7,686	1,930	73,644
Direct mail and telemarketing	-	-	-	-	-	-	-	-
Donor recognition	-	-	-	38	-	-	-	38
Equipment rental	3,307	9,157	9,522	21,537	20,249	8,776	950	73,498
Insurance expense	9,284	10,609	-	-	-	191,895	-	211,788
Interest expense	-	5,466	-	-	-	17,653	-	23,119
Miscellaneous	1,828	332	88	-	-	3,149	26	5,423
Occupancy	203	1,813	11,356	205,955	53,252	1,597	2,617	276,793
Office expense	2,095	3,735	3,522	1,076	3,091	3,622	1,131	18,272
Professional fees	186,469	8,344	5,812	34,404	122,180	198,354	6,270	561,833
Programming costs	-	-	-	-	-	-	-	-
Repairs and maintenance	13,184	15,909	5,032	6,345	6,515	2,231	355	49,571
Settlement fees	140,000	-	-	40,000	-	-	-	180,000
Tapes and supplies	-	499	-	-	740	-	-	1,239
Taxes, fines and filing fees	20,174	8,507	13,092	9	-	5,249	29	47,060
Training expense	1,172	-	1,915	-	-	-	92	3,179
Travel	1,830	1,007	939	14,192	3,544	9,494	433	31,439
Utilities	17,806	27,705	2,902	23,750	17,347	817	-	90,327
Total	\$ <u>776,489</u>	<u>472,985</u>	<u>292,853</u>	<u>792,584</u>	<u>582,462</u>	<u>1,079,210</u>	<u>181,496</u>	<u>4,178,079</u>

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Fundraising and Development Expenses Information by Division
For the Year Ended September 30, 2009

	KPFA	KPFK	KPFT	WBAI	WPFW	National Division	PRA	Total
Fundraising and Development Expenses:								
Personnel costs	\$ 286,074	254,914	164,337	150,830	172,686	38,289	13,698	1,080,828
Advertising and promotion	1,893	50	1,706	8,164	10,946	-	67	22,826
Association and periodicals	399	7,558	65	-	195	542	-	8,759
Bank charges	38,067	55,995	41,376	48,582	25,833	1,243	1,587	212,683
Board expense	101	-	-	-	-	-	-	101
Communications expense	3,617	-	399	-	1,470	-	-	5,486
Community events and development	133,897	22,496	37,700	67,835	37,249	-	32,463	331,640
Computer maintenance	4,029	3,917	817	3,064	3,012	4,618	208	19,665
Depreciation and amortization	15,106	15,797	2,434	1,883	2,036	4,472	1,123	42,851
Direct mail and telemarketing	138,921	49,512	86,502	41,129	63,382	14,390	-	393,836
Donor recognition	172,611	424,176	50,505	153,115	199,372	-	-	999,779
Equipment rental	-	13,508	-	-	-	-	-	13,508
Insurance expense	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Miscellaneous	1,063	193	51	-	-	1,832	16	3,155
Occupancy	118	1,055	6,607	119,837	30,986	929	1,523	161,055
Office expense	1,219	2,173	2,050	626	1,799	2,108	657	10,632
Professional fees	2,790	-	-	330	-	-	3,485	6,605
Programming costs	-	-	-	-	-	-	-	-
Repairs and maintenance	7,671	9,257	2,928	3,692	3,791	1,298	207	28,844
Settlement fees	-	-	-	-	-	-	-	-
Tapes and supplies	-	-	-	364	-	-	11,103	11,467
Taxes, fines and filing fees	-	-	-	-	-	780	-	780
Training expense	78	2,050	66	1,445	-	-	-	3,639
Travel	217	-	5	46	-	-	-	268
Utilities	10,360	16,120	1,689	13,819	10,093	476	-	52,557
Total	\$ <u>818,231</u>	<u>878,771</u>	<u>399,237</u>	<u>614,761</u>	<u>562,850</u>	<u>70,977</u>	<u>66,137</u>	<u>3,410,964</u>

The accompanying notes are an integral part of these financial statements

Pacifica Foundation
Other Revenue Information by Division
For the Year Ended September 30, 2009

	Total	KPFA	KPFK	KPFT	WBAI	WPFW	National Division	PRA
Other Revenue:								
Tape sales	\$ 20,065	-	-	-	-	-	-	20,065
Mailing / lists rental	10,396	-	-	-	-	-	10,396	-
Affiliates income	227,569	-	-	-	-	-	227,569	-
Miscellaneous income	18,955	17,228	1,402	325	-	-	-	-
Total	\$ 276,985	17,228	1,402	325	-	-	237,965	20,065
Investment Income:								
Interest income	\$ 33,037	17,194	1,274	348	-	135	14,067	19
Realized / unrealized loss	(21,473)	-	(1,586)	-	-	-	(19,887)	-
Total	\$ 11,564	17,194	(312)	348	-	135	(5,820)	19
Included in Listener Support:								
Website income	\$ 72,052	-	-	20	72,032	-	-	-
Restricted contribution	-	-	-	-	-	-	-	-
Total	\$ 72,052	-	-	20	72,032	-	-	-

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