The Pacifica Foundation

Financial Statements
and Independent Auditors' Report

September 30, 2017 and 2016

The Pacifica Foundation

Financial Statements
September 30, 2017 and 2016

Contents

ROGERS & COMPANY

Rogers & Company PLLC
Certified Public Accountants

8300 Boone Boulevard
Suite 600
Vienna, Virginia 22182

703.893.0300 voice
703.893.4070 facsimile
www.rogerspllc.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Pacifica Foundation

We were engaged to audit the accompanying financial statements of The Pacifica Foundation ("the Foundation"), which comprise the statement of financial position as of September 30, 2017; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As explained in Note 9 to the financial statements, the Foundation is the sponsor of two distinct pension plans covering substantially all employees. Both plans are delinquent in obtaining audited financial statements as required by the Internal Revenue Service (IRS) and the Employee Retirement Income Security Act of 1974 (ERISA). Additionally, both plans are delinquent with filing tax returns with the IRS. As of the date of the Independent Auditors' Report June 27, 2019: (a) audits of the plans for 2017 had not been completed, (b) audits of the plans for 2016 had not been completed, (c) an audit of one of the plans for 2015 had not been completed, and (d) an audit of one of the plans for 2015 was not required. We were thus unable to obtain sufficient appropriate audit evidence about the correct pension accruals, penalties, and fines for the year ended September 30, 2017.

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Basis for Disclaimer of Opinion (continued)

Additionally, we were unable to obtain audit evidence to support the amounts and disclosures in the financial statements due to difficulties in obtaining sufficient supporting documentation from some of the locations. Certain stations do not use the same accounting software as the corporate office. Some of the data from these stations could not be fully verified because it was missing. As a result, we were unable to determine whether any adjustments were necessary to make relating to the Foundation's statement of financial position; and the elements making up the statements of activities, functional expenses, and cash flows for the year then ended.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer for Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Substantial Doubt About the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Foundation will continue as a going concern. As discussed in Note 12 to the financial statements, the Foundation has suffered recurring losses from operations and has a net deficit that raises substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions, and management's plans regarding those matters, are described in Notes 12 and 13. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matters

The financial statements of the Foundation as of September 30, 2016, were audited by other auditors whose report, dated May 31, 2018, expressed a qualified opinion on those statements.

We were engaged for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary schedules included on pages 30, 32, and 34 are presented for the purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Other Matters (continued)

The information for the year ended September 30, 2016 on pages 31, 33, and 35 was subjected to the auditing procedures applied in the audit of the basic financial statements by other independent auditors, whose report, dated May 31, 2018, indicated that such information is fairly stated in all material respects to the basic statements as a whole.

Rogers + Company PLLC

Vienna, Virginia
June 27, 2019

The Pacifica Foundation

Statements of Financial Position
September 30, 2017 and 2016

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	$ 809,806	$ 570,748
Accounts receivable	269,325	4,512
Prepaid expenses	31,806	44,303
Inventory	15,771	18,153
Total current assets	1,126,708	637,716
Non-current assets:		
Restricted cash	573,915	519,369
Other assets	42,120	36,770
Property and equipment, net	1,914,722	2,094,712
Total non-current assets	2,530,757	2,650,851
Total assets	$ 3,657,465	$ 3,288,567
Liabilities and Net Assets (Deficit)		
Liabilities		
Accounts payable	$ 2,971,113	$ 2,996,438
Accrued expenses and payroll benefits	2,880,461	2,457,684
Accrued rent	2,418,169	2,360,083
Total liabilities	8,269,743	7,814,205
Net Assets (Deficit)		
Unrestricted	(5,794,133)	(5,707,493)
Temporarily restricted	65,800	65,800
Permanently restricted	1,116,055	1,116,055
Total net assets (deficit)	(4,612,278)	(4,525,638)
Total liabilities and net assets (deficit)	$ 3,657,465	$ 3,288,567

The Pacifica Foundation

Statement of Activities
For the Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Listener support and donations, net	$ 8,663,786	$ -	$ -	$ 8,663,786
Grants and contributions	1,138,438	-	-	1,138,438
Sub-carrier income	276,215	-	-	276,215
Community events	179,663	-	-	179,663
Other revenue	580,037	-	-	580,037
Interest income	99,434	-	-	99,434
Total revenue and support	10,937,573	-	-	10,937,573
Expenses				
Program services	5,007,252	-	-	5,007,252
Supporting services:				
Management and general	4,917,298	-	-	4,917,298
Fundraising and development	1,099,663	-	-	1,099,663
Total supporting services	6,016,961	-	-	6,016,961
Total expenses	11,024,213	-	-	11,024,213
Change in Net Assets	(86,640)	-	-	(86,640)
Net (Deficit) Assets, beginning of year	(5,707,493)	65,800	1,116,055	(4,525,638)
Net (Deficit) Assets, end of year	$ (5,794,133)	$ 65,800	$ 1,116,055	$ (4,612,278)

The Pacifica Foundation

Statement of Activities
For the Year Ended September 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Listener support and donations, net	$ 8,246,789	$ -	$ -	$ 8,246,789
Grants and contributions	1,088,469	-	-	1,088,469
Sub-carrier income	308,000	-	-	308,000
Community events	166,664	-	-	166,664
Other revenue	610,955	-	-	610,955
Interest income	46,235	-	-	46,235
Released from restrictions	157,145	(157,145)	-	-
Total revenue and support	10,624,257	(157,145)	-	10,467,112
Expenses				
Program services	5,888,447	-	-	5,888,447
Supporting services:				
Management and general	5,022,261	-	-	5,022,261
Fundraising and development	1,587,097	-	-	1,587,097
Total supporting services	6,609,358	-	-	6,609,358
Total expenses	12,497,805	-	-	12,497,805
Change in Net Assets	(1,873,548)	(157,145)	-	(2,030,693)
Net (Deficit) Assets, beginning of year	(3,833,945)	222,945	1,116,055	(2,494,945)
Net (Deficit) Assets, end of year	$ (5,707,493)	$ 65,800	$ 1,116,055	$ (4,525,638)

The Pacifica Foundation

Statement of Functional Expenses
For the Year Ended September 30, 2017

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising and Development	Total Expenses
Personnel costs:				
Salaries and wages	$ 2,837,587	$ 1,252,397	$ 488,346	$ 4,578,330
Payroll taxes	264,970	103,742	45,418	414,130
Employee benefits	310,544	645,139	31,594	987,277
Pension and 403(b) contributions	51,087	90,081	9,120	150,288
Advertising and promotion	300	1,466	25,427	27,193
Associations and periodicals	4,263	489	797	5,549
Audit and accounting	-	143,989	-	143,989
Bank charges and credit card fees	32,251	169,933	95,553	297,737
Board meetings and elections	-	77,506	-	77,506
Communications expense	67,880	408,116	-	475,996
Community events	1,531	17,662	57,348	76,541
Computer maintenance	27,922	52,704	6,609	87,235
Consultants	72,533	339,258	26,202	437,993
Depreciation and amortization	78,845	121,270	164	200,279
Direct mail and telemarketing	5,438	39,202	144,318	188,958
Equipment rental	1,015	57,714	14,684	73,413
Insurance	-	267,882	-	267,882
Legal fees	-	230,777	-	230,777
Miscellaneous	-	572	240	812
Rent – office/studio	-	226,880	-	226,880
Rent – tower	671,399	42,495	-	713,894
Office expenses	4,164	85,526	7,319	97,009
Outside services	3,426	53,956	110,680	168,062
Permits, fines, and filing fees	611	10,211	-	10,822
Programming costs	156,936	109,135	32,202	298,273
Repairs and maintenance	82,237	100,063	50	182,350
Storage	-	53,261	263	53,524
Tapes and supplies	116,494	4,054	-	120,548
Taxes – property	-	62,787	-	62,787
Training conferences	7,516	1,661	1,036	10,213
Travel	4,900	17,989	2,293	25,182
Utilities	183,247	121,546	-	304,793
Website and audioport	20,156	7,835	-	27,991
Total Expenses	$ 5,007,252	$ 4,917,298	$ 1,099,663	$ 11,024,213

The Pacifica Foundation

Statement of Functional Expenses
For the Year Ended September 30, 2016

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising and Development	Total Expenses
Personnel costs:				
Salaries and wages	$ 2,606,281	$ 1,399,794	$ 585,366	$ 4,591,441
Payroll taxes	225,977	121,369	50,754	398,100
Employee benefits	655,303	351,953	147,180	1,154,436
Pension and 403(b) contributions	241,473	129,692	54,234	425,399
Advertising and promotion	-	4,199	7,012	11,211
Associations and periodicals	792	5,732	-	6,524
Audit and accounting	1,991	250,358	-	252,349
Bank charges and credit card fees	5,629	126,915	223,243	355,787
Board meetings and elections	1,501	148,725	-	150,226
Communications expense	139,496	360,418	6,618	506,532
Community events	770	2,789	79,540	83,099
Computer maintenance	19,615	34,741	-	54,356
Consultants	118,770	112,349	25,578	256,697
Depreciation and amortization	104,749	111,927	104	216,780
Direct mail and telemarketing	55,523	8,227	367,728	431,478
Equipment rental	-	53,087	14,800	67,887
Insurance	1,123	215,230	-	216,353
Legal fees	725	311,466	-	312,191
Miscellaneous	892	26,761	-	27,653
Rent – office/studio	-	230,344	-	230,344
Rent – tower	1,151,534	-	-	1,151,534
Office expenses	1,447	73,037	6,057	80,541
Outside services	-	1,510	-	1,510
Permits, fines, and filing fees	590	373,253	25	373,868
Programming costs	135,632	17,337	5,642	158,611
Repairs and maintenance	107,231	72,748	4,024	184,003
Storage	-	37,678	-	37,678
Tapes and supplies	16,947	2,131	6,381	25,459
Taxes – property	-	347,028	-	347,028
Training conferences	2,982	2,032	1,108	6,122
Travel	6,226	15,081	1,703	23,010
Utilities	248,419	72,044	-	320,463
Website and audioport	36,829	2,306	-	39,135
Total Expenses	$ 5,888,447	$ 5,022,261	$ 1,587,097	$ 12,497,805

The Pacifica Foundation

Statements of Cash Flows
For the Years Ended September 30, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Change in net assets (deficit)	$ (86,640)	$ (2,030,693)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains on investments	-	(39,520)
Depreciation and amortization	200,279	216,780
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(264,813)	28,399
Prepaid expenses	12,497	(12,033)
Inventory	2,382	10,197
Other assets	(5,350)	6,200
Increase (decrease) in:		
Accounts payable	(25,325)	(325,663)
Accrued expenses and payroll benefits	422,777	1,478,891
Accrued rent	58,086	913,819
Net cash provided by operating activities	313,893	246,377
Cash Flows from Investing Activities		
Change in restricted cash	(54,546)	71,852
Purchases of property and equipment	(20,289)	(13,054)
Proceeds from sales of investments	-	39,520
Net cash (used in) provided by investing activities	(74,835)	98,318
Cash Flows from Financing Activity		
Repayment on notes payable	-	(17,000)
Net cash used in financing activity	-	(17,000)
Net Increase in Cash and Cash Equivalents	239,058	327,695
Cash and Cash Equivalents, beginning of year	570,748	243,053
Cash and Cash Equivalents, end of year	$ 809,806	$ 570,748
Supplementary Disclosure of Cash Flow Information		
Cash paid for state registration taxes	$ 216	$ 150

See accompanying notes.

1. Nature of Operations

The Pacifica Foundation ("the Foundation") was incorporated under the Nonprofit Corporation Law of the State of California on August 24, 1946 and was recognized as a tax-exempt organization in April 1958 under Section 101(c) of the 1939 Internal Revenue Code (IRC), which now corresponds with IRC 501(c)(3) as a public charity. The Foundation currently operates five FM radio stations and maintains a program tape library that is used to sell and rent taped programs to other noncommercial 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 165 affiliated non-commercial radio stations. The financial statements include the operations of the following divisions:

Pacifica Foundation – National Office
Pacifica Foundation – Pacifica Radio Archives
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.

2. Summary of Significant Accounting Policies

Principles of Combination

The financial statements include the accounts of the Foundation and the various divisions identified above, which have common management and have some common Board members. All significant balances and transactions between the Foundation's divisions have been eliminated.

Basis of Accounting and Presentation

The Foundation's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of the Foundation's operations.

- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of the Foundation or by the passage of time.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

- *Permanently restricted net assets* represent funds in which the principal must be held in perpetuity, while the earnings may be available for the general operations or restricted purposes imposed by the donors.

Cash Equivalents

For the purpose of the statements of cash flows, the Foundation considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase.

Restricted Cash

Restricted cash primarily represents funds restricted for specific purposes and are generally required to be held in separate bank accounts in accordance with donor stipulations and restrictions.

Inventory

Each station maintains an inventory of items used for premium incentives in fundraising activities that are carried at the lower of cost or fair value. The Foundation determined costs using the first-in, first-out method. Obsolete or unsalable inventory is reflected at its estimated net realizable value.

Property and Equipment

Property and equipment are valued at cost or, if donated, at fair market value on the date of donation. The cost of property and equipment exceeding $2,000 is capitalized and depreciated over the estimated useful life of each class of depreciable asset. 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. The useful estimated lives of property and equipment are summarized as follows:

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

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Listener support and donations are reflected net of premiums incentives issued in exchange for payments received. Total premiums incentives and related costs amounted to $775,027 and $459,089 for the years ended September 30, 2017 and 2016, respectively.

Grants and contributions are recorded as revenue when received or promised. The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to one of the Foundation's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the same period received.

Sub-carrier income is generated from outside companies that are allowed to use a portion of certain stations' base bands in order to broadcast signals to the outside companies' subscribers, as per agreement with the Foundation. Revenue from sub-carriers is recognized when earned.

Funds received in advance from community events are shown as deferred income when received. These amounts are recorded as income when the funds are disbursed upon the completion of the community event in order to more closely match revenue with the related expenditure.

Revenue from all other sources is recognized when earned.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Advertising costs are expensed as incurred and totaled $27,193 and $11,211 during the years ended September 30, 2017 and 2016, respectively.

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications have no effect on the change in net assets previously reported.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 27, 2019, the date the financial statements were available to be issued.

Indebtedness and Sale of Building

Subsequent to year end, in March 2018, the Foundation obtained a loan in the amount of $500,000 ("Supporters Loan") from various benefactors of the Foundation (Board members and other individuals). The purpose of this loan is to cover restoration and moving expenses related to the relocation of the WBAI transmitter from the Empire State Building to 4 Times Square. The building owned by the Foundation at 1921-1925 Martin Luther King Jr. Way in Berkeley (which currently houses financial staff of the National Office) has been pledged as collateral for this loan. This loan was repaid in full in June 2018 when the property at 1921-1925 Martin Luther King Jr. Way was sold for $1.1 million. In June 2018, the building was leased back to the Foundation for a period of two years under an agreement requiring monthly rental payments of $4,500. The Board resolved to allocate the money available from the sales proceeds from the building sale. It is intended that sales proceeds will be used to retire the $500,000 Supporters Loan and $379,000 to fund the FJC Loan Reserve Account. Any remaining balance (after sales commission and closing costs) will be available for other uses.

Settlement Agreement

Subsequent to year end, in April 2018, the Foundation accepted a settlement agreement with the Empire State Realty Trust (ESRT). See Note 11 for additional discussion.

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. The update requires a lessee to recognize a right-of use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Foundation's fiscal year 2021.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Non-for-Profit Entities*. The update changes the manner by which nonprofit organizations classify net assets as well as improves information presented in financial statements and notes about nonprofit organization liquidity, financial performance, and cash flows. The guidance is effective beginning in the Foundation's fiscal year 2019.

3. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash and cash equivalents. The Foundation maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any credit losses on its cash and cash equivalents to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

The Foundation receives a substantial portion of its support from listeners and members. A significant reduction in the level of this support could have an adverse effect on its ability to continue programs and activities, which are funded wholly or partially by the generosity of listeners and members.

4. Property and Equipment

Property and equipment consists of the following at September 30:

	2017	2016
Land	$ 632,428	$ 632,428
Building and improvements	2,972,327	2,949,013
Leasehold improvements	609,464	609,464
Furniture and fixtures	245,815	263,815
Equipment	6,495,538	6,480,592
Total property and equipment	10,955,572	10,935,312
Less: accumulated depreciation and amortization	(9,040,850)	(8,840,600)
Property and equipment, net	$ 1,914,722	$ 2,094,712

Included in the property and equipment held at September 30, 2017 and 2016 is certain technical equipment acquired with the assistance of government grants. In accordance with the regulations of these grants, the National Telecommunications and Information Administration retains interest in these assets for a period of ten years following the completion of the grant. At September 30, 2017 and 2016, equipment held by KPFT with a historical cost of $19,100 was subject to the federal ten-year period. The federal ten-year period expired in 2016.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at September 30:

	2017	2016
Capital acquisitions	$ 65,800	$ 65,800
Total temporarily restricted net assets	$ 65,800	$ 65,800

6. Permanently Restricted Net Assets

Permanently restricted net assets consist of the following at September 30:

	2017	2016
KPFA – Heath Trust endowment fund	$ 375,000	$ 375,000
KPFA – other endowment fund	150,000	150,000
KPFK – other endowment fund	20,000	20,000
National Office – other endowment fund	196,055	196,055
National Office – Heath Trust endowment fund	375,000	375,000
Total permanently restricted net assets	$ 1,116,055	$ 1,116,055

7. Endowment

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

Interpretation of Relevant Law

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

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of the Foundation and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Foundation; and (7) investment policies of the Foundation.

7. Endowment (continued)

Return Objectives, Risk Parameters, and Strategies

The Foundation has adopted investment and spending policies for endowment assets that attempt to preserve the purchasing power of the Endowment Fund and at the same time provide a regular distribution of funds for use of the Foundation, consistent with the terms of the Endowment Fund Distribution Policy and the terms governing each of the individual endowment funds. The Foundation follows a balanced approach between risk, preservation of capital, income, and growth.

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 a deficit of $577,493 and $625,235 as of September 30, 2017 and 2016, respectively.

Composition of Endowment Funds

Endowment net assets were comprised of the following at September 30:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2017:				
Donor-restricted endowment	$ (577,493)	$ -	$ 1,116,055	$ 538,562
Total endowment net assets	$ (577,493)	$ -	$ 1,116,055	$ 538,562
2016:				
Donor-restricted endowment	$ (625,235)	$ -	$ 1,116,055	$ 490,820
Total endowment net assets	$ (625,235)	$ -	$ 1,116,055	$ 490,820

7. Endowment (continued)

Changes in Endowment Net Assets

Changes in endowment funds were as follows for the year ended September 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ (625,235)	$ -	$ 1,116,055	$ 490,820
Interest income	47,742	-	-	47,742
Endowment net assets, ending	$ (577,493)	$ -	$ 1,116,055	$ 538,562

Changes in endowment funds were as follows for the year ended September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ (639,212)	$ -	$ 1,116,055	$ 476,843
Interest income	13,977	-	-	13,977
Endowment net assets, ending	$ (625,235)	$ -	$ 1,116,055	$ 490,820

8. Commitments and Contingencies

Operating Leases

The Foundation is obligated under certain multi-year operating leases for office space, studio, and radio tower equipment. The leases expire at various dates through September 30, 2028. The Foundation is also obligated under several month-to-month lease agreements to rent office and studio space.

8. Commitments and Contingencies (continued)

Operating Leases (continued)

Future minimum lease payments under lease agreements are as follows for the years ending September 30:

	Towers	Facilities	Equipment	Total
2018	$ 882,001	$ 282,373	$ 68,835	$ 1,233,209
2019	154,579	51,637	54,454	260,670
2020	150,174	6,964	56,569	213,707
2021	154,679	7,173	32,163	194,015
2022	159,320	9,249	23,434	192,003
Thereafter	980,825	1,861	130,838	1,113,524
Total future minimum lease payments	$ 2,481,578	$ 359,257	$ 366,293	$ 3,207,128

Rent expense for all leases (including facilities, tower, and equipment) amounted to $940,774 and $1,381,878 for the years ended September 30, 2017 and 2016, respectively.

In connection with the release from the ESRT lease, WBAI will relocate to 4 Times Square, New York, under a new license agreement. The annual fee commitments under the new lease are as follows for the years ending September 30:

	License Fee	Equipment Advance Payment	Total
2018	$ 12,000	$ 1,953	$ 13,953
2019	144,360	23,434	167,794
2020	148,691	23,434	172,125
2021	153,152	23,434	176,586
2022	157,746	23,434	181,180
Thereafter	1,034,850	138,651	1,173,501
Total future minimum lease payments	$ 1,650,799	$ 234,340	$ 1,885,139

8. Commitments and Contingencies (continued)

General Contingencies

In the normal course of business there are various outstanding commitments and contingent liabilities, such as commitments to enter into contracts and future programs, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions, donor conditions, and government contracts that obligate the Foundation to fulfill certain requirements, conditions, and activities, (b) Funding levels that vary based on factors beyond the Foundation's control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management personnel, (d) Lawsuits and unasserted claims arising from the ordinary course of business, (e) Loan agreement covenants related to borrowing arrangements, and (f) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies, and risks will not have a material adverse effect on the financial statements. Certain grants and contracts (including current and prior costs) are subject to audit and final acceptance by the granting organizations.

Collective Bargaining Agreements (CBA)

Certain employees at certain geographic locations of the Foundation are enrolled in and protected by union agreements. Such agreements place restrictions on the employer and govern the hiring and firing of employees. Management is aware that certain policies reflected in the employee handbook are inconsistent with the union agreements and a labor attorney has been engaged to reconcile the language between these documents.

Sub-Carrier Agreement

The Foundation entered into sub-carrier agreements in March 1984, whereby outside companies are allowed to use a portion of certain Foundation stations' base bands in order to broadcast signals to the outside companies' subscribers. The initial terms of the agreements were five years from start of operations at each respective station. Subsequent to the initial agreements, some of the leases have expired and some have renewed. 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.

8. Commitments and Contingencies (continued)

Employment Contract

The Foundation has several long-term employment contracts that contain arbitration clauses with certain current and former employees. The estimated liabilities associated with these agreements cannot be estimated and no amount has been accrued in these financial statements.

9. Pension Plans

The Foundation has a 403(b) defined contribution retirement plan ("the 403(b) Plan") covering all eligible regular full time and part time employees who are employed for a minimum of six months. Funds from participants electing to make salary deferrals are invested along with employer matching funds in individual, self-directed accounts. The Foundation's contributions to employee participant accounts amounted to $61,736 and $70,483 during the years ended September 30, 2017 and 2016, respectively.

The Foundation also has a profit sharing plan ("the Profit Sharing Plan"), which provides for contributions based on 2% – 2.5% or more of total annual compensation earned per eligible employee during the plan year. Profit sharing amounts are invested in a portfolio of investments as directed by the Foundation. All employer contributions are subject to limitations imposed by applicable provisions of the IRC. The Foundation's required contributions to the Profit Sharing Plan amounted to $88,552 and $201,941 for the years ended September 30, 2017 and 2016, respectively. These amounts have not been remitted and are included as part of accrued expenses and payroll benefits in the statements of financial position at September 30, 2017 and 2016.

Because the Foundation's contribution to the Profit Sharing Plan had not been funded as of September 30, 2017 and 2016, the Department of Labor (in accordance with provisions stipulated under Federal laws) could classify the plan to be in critical or endangered status. Pension plans in critical and endangered status are required to adopt a plan aimed at restoring the financial health of the Profit Sharing Plan.

9. Pension Plans (continued)

Accrued pension liabilities for each division are estimated and summarized as follows at September 30:

	2017	2016
KPFA	$ 146,899	$ 118,661
KPFK	170,031	144,845
KPFT	40,865	35,200
WBAI	60,573	52,573
WPFW	49,201	43,197
National Office	46,049	37,261
Pacifica Radio Archives	37,647	33,596
Estimated late filing penalties, assessments, and interest	300,000	300,000
Total accrued pension liabilities	$ 851,265	$ 765,333

These accrued pension liabilities are included with accrued expenses and payroll benefits in the statements of financial position.

The Foundation has received notification from opposing legal counsel demanding disclosure of certain information and documents relating to the Profit Sharing Plan and 403(b) Plan, the deposit of outstanding amounts owed to KPFK's CBA employees under the plans, a report on the status of the Profit Sharing Plan's search for a new record-keeper and third party administrator, and information about the 403(b) Plan's vendors no later than May 31, 2018.

Opposing counsel has also threatened additional grievances, enforcement of the stipulated award, a potential complaint to the Department of Labor, and a potential filing of a breach of fiduciary duty lawsuit. According to outside advisors, the Foundation has an obligation to provide the union with relevant information that will assist it in administering the CBA, and failure to do so exposes the Foundation to liability under the National Labor Relations Act for failure to bargain.

The Employee Retirement Income Security Act of 1974 (ERISA) also imposes certain obligations on the Foundation to provide many of the items requested by opposing counsel to plan participants and beneficiaries within specified time frames upon request. Management is currently working on fulfilling the various requests for information.

9. Pension Plans (continued)

ERISA requires plans to provide participants with plan information including important information about plan features and funding; sets minimum standards for participation, vesting, benefit accrual, and funding; provides fiduciary responsibilities for those who manage and control plan assets; requires plans to establish a grievance and appeals process for participants to get benefits from their plans; gives participants the right to sue for benefits and breaches of fiduciary duty; and, if a defined benefit plan is terminated, guarantees payment of certain benefits through a federally chartered corporation, known as the Pension Benefit Guaranty Corporation. It appears that the Foundation is not in full compliance with some of these rules and regulations.

The Foundation has been informed that the arbitration award still needs to be revised, because the corrective contributions for the missed employer contributions under the Profit Sharing Plan cannot be deposited into the 403(b) Plan. The Foundation has previously received annotated copies of the arbitration award to review and confirm the terms with applicable retirement plan laws and assist in preparation of the revised award. This is still in progress as of June 27, 2019.

The Foundation has been conducting a search for a new record-keeper/third party administrator for the Profit Sharing Plan. As soon as qualified candidates are identified, the Plan Administrator will evaluate the responses and choose the appropriate record-keeper for the Profit Sharing Plan.

The Foundation's Board has received documentation outlining the compliance steps needed under the plans to correct the missed employer contributions, plan compliance errors, and draft resolutions to be adopted by the Board. Management has been advised of the importance of implementing the compliance steps, making the required corrective contributions, and making a final decision regarding the outstanding items in order to bring the plans into compliance.

10. Accrued Payroll and Related Benefits (Including Compensated Absences)

Financial statement presentation follows the recommendations of FASB Accounting Standards Codification (ASC) 710.25, *Compensated Absences*. Under FASB ASC 710.25, the Foundation is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation, which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability in the statements of financial position based on hourly rates in effect at the end of the fiscal year.

10. Accrued Payroll and Related Benefits (Including Compensated Absences) (continued)

Total accrued payroll and related benefits amounted to $1,368,037 and $1,135,207 at September 30, 2017 and 2016, respectively, and are included with accrued expenses and payroll benefits in the statements of financial position.

During July 2016, the Foundation entered into a stipulated award agreement related to unpaid wages as a result of a workforce reduction during fiscal year 2015. The terms of the agreement required the Foundation to remit a total of $150,000 for the unpaid wages, which occurred as a result of the workforce reduction. The agreement also required the Foundation to make severance and back pay remittances to certain employees totaling approximately $135,000. During the fiscal year ended September 30, 2017, the Foundation made all payments required under the agreement.

11. Pending or Threatened Litigations

New York

In November 2016, the owner of the Empire State Building filed a lawsuit against the Foundation alleging that the radio network owed $1.35 million in rent and fees for the tower of its New York City station, WBAI. The suit alleged that the Foundation had been “chronically late” on its rent payments. The lawsuit sought unpaid rent in the amount of $1,357,429 plus attorneys’ fees and penalties. The Foundation has accrued all applicable past due rent amounts plus estimated additional fees and related charges in the financial statements. The total accrued rent liabilities of $2,418,169 and $2,360,083 at September 30, 2017 and 2016, respectively, are reflected in the statements of financial position.

Subsequent to year end, in April 2018, the Foundation accepted a settlement agreement with ESRT. The Foundation paid ESRT $3,085,000, which will cover all monies owed to ESRT including interest, fees, relocation costs, penalties, and legal expenses through May 31, 2018. Further, ESRT released the Foundation from its contract with them, which would have otherwise obligated the Foundation through June 2020.

In order to remit payment under the ESRT Settlement Agreement, the Foundation obtained a $3.265 million loan from a nonprofit lender during April 2018. The KPFA, KPFK, and KPFT buildings have been pledged as collateral for this loan. The loan agreement provides for repayment in full in three years and the lender required a set-aside of approximately $379,000 for the purpose of making interest-only loan payments during the first 18 months of the loan. Management anticipates that this will allow sufficient time for the Foundation to increase revenue and generate cash flows to fulfill the loan obligations and stabilize the Foundation’s operations and finances.

11. Pending or Threatened Litigations (continued)

New York (continued)

Loan covenants: Under the loan, the Foundation is subject to specific loan covenants, some of which are summarized as follows:

- Submission of audited financial statements within 120 days following the close of the fiscal year.
- Submission of paperwork signed by the CFO certifying compliance with all covenants within 120 days following the close of the fiscal year.
- The Foundation shall not make capital expenditures for its stations in excess of $150,000 during any fiscal year without the prior written consent of the lender.
- The Foundation shall not, except with the prior written approval of the lender, incur any debt in excess of $25,000 in any one instance other than customary trade payables.
- A “Reserve Account” in the amount of $379,000 must be created.
- The Foundation must be in compliance with every material provision of ERISA.

Other Matters

The Foundation has been named as a defendant in various other lawsuits, which include claims of (a) wrongful termination, (b) wrongful removal from Board of Director positions, (c) violation of union contracts, and (d) other matters. In some cases, the Foundation has assessed the potential liabilities and has accrued the possible exposure. In other cases, the Foundation has contested the claims and sought arbitration.

Management believes that such pending and threatened litigation and related matters will not have a material adverse effect on the financial statements and that all potential liabilities that could materialize have been accrued in the financial statements.

12. Results of Operations

The Foundation has sustained significant losses from operating activities in the current and prior years. These factors resulted in the Foundation developing a total net deficit of $4,612,278 and $4,525,638 at September 30, 2017 and 2016, respectively. The Foundation has taken measures to reduce its operating costs, streamline its operations, and increase revenues and support.

12. Results of Operations (continued)

Based on management's best estimate of future cash flows, these actions are expected to allow the Foundation to operate through the foreseeable future, subject to the factors discussed in Note 13. The Foundation's management is also prepared to employ additional cost-cutting measures if the actual cash flows do not meet the current projections. The ability of the Foundation to sustain its operations in the long term depends on its ability to reduce operating costs and increase sources of cash flows. Lastly, the Foundation prepared a Financial Recovery and Stabilization Plan to address issues related to organizational and financial matters and to set a road map for future operations with an emphasis on stable management and sustainable revenue patterns.

13. Substantial Doubt About an Entity's Ability to Continue as a Going Concern

In accordance with applicable accounting and auditing standards, substantial doubt about an entity's ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

Principal Conditions or Events that Raise Substantial Doubt About the Entity's Ability to Continue as a Going Concern

As a consequence of entering into a settlement agreement with ESRT, the Foundation has amassed new debt exceeding $4 million (as disclosed in earlier footnotes). These financing commitments will eventually require repayment in full, placing a significant strain on the cash flows and operating activities of the organization.

Although the lender on the $3.265 million loan has set aside interest payments for the first 18 months of the loan, it is not entirely clear how the remaining funds will materialize. In order to sustain operations, funds will need to be generated from contributed income and earned revenue streams in order to ensure loan repayments. Additionally, it appears that certain loan covenants will be difficult (if not impossible) to be complied with. For example, the Foundation will be facing an event of default unless audited financial data is submitted within 120 days of the end of the fiscal year. Other violations of certain loan covenants also appear to be likely, which puts the Foundation at risk of having the loan called prematurely, which also puts at risk property and equipment pledged as collateral.

13. Substantial Doubt About an Entity's Ability to Continue as a Going Concern (continued)

Management's Evaluation of the Significance of Those Conditions or Events in Relation to the Entity's Ability to Meet Its Obligations

The Foundation's management understands the significance of the terms and conditions of all secured and unsecured debt instruments. Management intends to take a proactive approach with respect to the covenants and work with the lenders to mitigate any events of default.

Management's Plans that Are Intended to Mitigate the Conditions or Events that Raise Substantial Doubt About the Entity's Ability to Continue as a Going Concern

Management continues to formulate plans and programs to enhance the financial condition of the Foundation, including cost-cutting measures, revenue enhancement strategies, and the sale of certain properties to provide sufficient cash flows to properly service the debt and provide sufficient working capital to satisfy ongoing operational expenditures and related commitments (such as payroll and related benefits).

The Foundation will continue the repayment of the loans through funds allocated per a Reserve Agreement. During the term of the loan, only interest is paid. The entire principal, plus any unpaid interest, must be paid at the maturity date (2021), or earlier if the loan is pre-paid. At present, the monthly note would be a significant burden for the network considering projected revenues. However, successful completion of audits through fiscal year 2018 will coincide with efforts to align the Foundation with Corporation for Public Broadcasting Community Service Grant funds. Additionally, completion of the audits coupled with reliable financial reporting and practices will provide opportunity for major donor support and grantsmanship.

In January 2019, the Foundation entered into an agreement with National Educational Telecommunications Association (NETA) to provide financial management and accounting services for all divisions (National Office, Pacifica Radio Archives, and five stations). The scope of services includes:

- Accounting services
- Grants and gifts project tracking and reporting
- Human resources support
- Payroll and benefits administration
- Annual audit and annual reports
- Management support and guidance

13. Substantial Doubt About an Entity's Ability to Continue as a Going Concern (continued)

Management's Plans that Are Intended to Mitigate the Conditions or Events that Raise Substantial Doubt About the Entity's Ability to Continue as a Going Concern (continued)

This significant upgrade will ensure that the Foundation incorporates best practices in all areas. Most importantly, NETA's services will make financial reporting reliable and accurate.

Lastly, all stations have entered into membership and subscription agreements with non-commercial industry leadership organizations – Radio Research Consortium (RRC), Public Radio Program Director (PRPD), and Greater Public. RRC provides the non-commercial industry with Arbitron audience data necessary to maximize listenership and loyalty – factors necessary to facilitate individual giving (membership). PRPD provides programming best practices. Greater Public is the industry leader in fundraising. Whether on-air fundraising, online giving, direct mail and telemarketing, major giving, or planned giving, the tools, templates, and knowledge gained represent a significant upgrade for the Foundation.

Investment and expertise are the focal point of the Foundation moving forward. The Foundation's ability to advance beyond a "going concern" is dependent on leveraging both of these in the coming months, quarters, and years.

14. Income Taxes

The Foundation is exempt from payment of taxes on income other than net unrelated business income under IRC Section 501(c)(3). For the years ended September 30, 2017 and 2016, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Contributions to the Foundation are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Foundation's tax positions and concluded that the Foundation's financial statements do not include any uncertain tax positions.

Financial statement presentation follows the recommendations of FASB ASC 740, *Income Taxes*. Under ASC 740, the Foundation is required to report information regarding its exposure to various tax positions taken by the Foundation and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold.

14. Income Taxes (continued)

Management believes that the Foundation has adequately evaluated its current tax positions and has concluded that as of September 30, 2017 and 2016, the Foundation does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary. The Foundation may periodically receive unrelated business income requiring the organization to file separate tax returns under federal and state statutes.

SUPPLEMENTARY INFORMATION

The Pacifica Foundation

Schedule of Financial Position by Division
September 30, 2017

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
Assets									
Current assets:									
Cash and cash equivalents	$ 355,431	$ 89,861	$ 240,155	$ 85,490	$ 1,395	$ 13,949	$ 23,525	$ -	$ 809,806
Accounts receivable	576	19,717	248,503	361	168	-	-	-	269,325
Inter-division receivables	7,931,662	513,461	1,904,010	-	247,690	-	57,330	(10,654,153)	-
Prepaid expenses	30,776	-	1,030	-	-	-	-	-	31,806
Inventory	-	-	2,176	6,908	-	4,969	1,718	-	15,771
Total current assets	8,318,445	623,039	2,395,874	92,759	249,253	18,918	82,573	(10,654,153)	1,126,708
Non-current assets:									
Restricted cash	17,730	2,216	543,564	7,277	256	2,872	-	-	573,915
Other assets	5,000	-	350	17,780	5,300	13,690	-	-	42,120
Property and equipment, net	4,934	11,509	1,070,867	401,675	8,176	3,546	414,015	-	1,914,722
Total non-current assets	27,664	13,725	1,614,781	426,732	13,732	20,108	414,015	-	2,530,757
Total assets	$ 8,346,109	$ 636,764	$ 4,010,655	$ 519,491	$ 262,985	$ 39,026	$ 496,588	$ (10,654,153)	$ 3,657,465
Liabilities and Net Assets (Deficit)									
Liabilities									
Accounts payable	$ 2,628,479	$ 673	$ 60,589	$ 16,188	$ 92,858	$ 140,432	$ 31,894	$ -	$ 2,971,113
Accrued expenses and payroll benefits	667,046	55,639	831,401	303,722	872,130	103,918	46,605	-	2,880,461
Inter-division payables	1,689,725	1,374,066	51,288	685,813	4,162,710	1,818,074	872,477	(10,654,153)	-
Accrued rent	-	-	-	-	2,418,169	-	-	-	2,418,169
Total liabilities	4,985,250	1,430,378	943,278	1,005,723	7,545,867	2,062,424	950,976	(10,654,153)	8,269,743
Net Assets (Deficit)									
Unrestricted	2,789,804	(793,614)	2,542,377	(506,232)	(7,348,682)	(2,023,398)	(454,388)	-	(5,794,133)
Temporarily restricted	-	-	-	-	65,800	-	-	-	65,800
Permanently restricted	571,055	-	525,000	20,000	-	-	-	-	1,116,055
Total net assets (deficit)	3,360,859	(793,614)	3,067,377	(486,232)	(7,282,882)	(2,023,398)	(454,388)	-	(4,612,278)
Total liabilities and net assets (deficit)	$ 8,346,109	$ 636,764	$ 4,010,655	$ 519,491	$ 262,985	$ 39,026	$ 496,588	$ (10,654,153)	$ 3,657,465

The Pacifica Foundation

Schedule of Financial Position by Division
September 30, 2016

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
Assets									
Current assets:									
Cash and cash equivalents	$ 102,228	$ 2,881	$ 375,090	$ 75,606	$ 7,070	$ 5,480	$ 2,393	$ -	$ 570,748
Accounts receivable	-	3,898	614	-	-	-	-	-	4,512
Inter-division receivables	7,679,684	470,930	1,795,870	-	247,690	-	57,330	(10,251,504)	-
Prepaid expenses	38,377	-	5,926	-	-	-	-	-	44,303
Inventory	-	-	1,597	9,869	-	4,969	1,718	-	18,153
Total current assets	7,820,289	477,709	2,179,097	85,475	254,760	10,449	61,441	(10,251,504)	637,716
Non-current assets:									
Restricted cash	773	2,215	495,840	7,277	933	12,331	-	-	519,369
Other assets	-	-	-	17,780	5,300	13,690	-	-	36,770
Property and equipment, net	6,622	7,969	1,164,379	457,646	8,514	4,771	444,811	-	2,094,712
Total non-current assets	7,395	10,184	1,660,219	482,703	14,747	30,792	444,811	-	2,650,851
Total assets	$ 7,827,684	$ 487,893	$ 3,839,316	$ 568,178	$ 269,507	$ 41,241	$ 506,252	$ (10,251,504)	$ 3,288,567
Liabilities and Net Assets (Deficit)									
Liabilities									
Accounts payable	$ 2,791,138	$ 3,708	$ 14,824	$ 11,842	$ 40,465	$ 103,714	$ 30,747	$ -	$ 2,996,438
Accrued expenses and payroll benefits	618,071	57,813	834,839	301,955	500,328	87,240	57,438	-	2,457,684
Inter-division payables	1,584,860	1,380,002	51,288	677,553	4,028,461	1,741,840	787,500	(10,251,504)	-
Accrued rent	-	-	-	-	2,360,083	-	-	-	2,360,083
Total liabilities	4,994,069	1,441,523	900,951	991,350	6,929,337	1,932,794	875,685	(10,251,504)	7,814,205
Net Assets (Deficit)									
Unrestricted	2,262,560	(953,630)	2,413,365	(443,172)	(6,725,630)	(1,891,553)	(369,433)	-	(5,707,493)
Temporarily restricted	-	-	-	-	65,800	-	-	-	65,800
Permanently restricted	571,055	-	525,000	20,000	-	-	-	-	1,116,055
Total net assets (deficit)	2,833,615	(953,630)	2,938,365	(423,172)	(6,659,830)	(1,891,553)	(369,433)	-	(4,525,638)
Total liabilities and net assets (deficit)	$ 7,827,684	$ 487,893	$ 3,839,316	$ 568,178	$ 269,507	$ 41,241	$ 506,252	$ (10,251,504)	$ 3,288,567

The Pacifica Foundation

Schedule of Activities by Division
For the Year Ended September 30, 2017

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
Revenue and Support									
Listener support and donations, net	$ 4,444	$ 119,369	$ 2,630,216	$ 2,637,631	$ 1,420,815	$ 1,141,564	$ 709,747	$ -	$ 8,663,786
Grants and contributions	277,525	26,502	446,297	271,749	38,322	1,257	76,786	-	1,138,438
Sub-carrier income	276,215	-	-	-	-	-	-	-	276,215
Community events	-	-	102,962	27,747	28,000	-	20,954	-	179,663
Other revenue	198,520	228,619	119,362	-			33,536	-	580,037
Interest income	34	1	72,954	25,883	-	12	550	-	99,434
Central services	1,386,912	208,560	-	-	-	-	-	(1,595,472)	-
Total revenue and support	2,143,650	583,051	3,371,791	2,963,010	1,487,137	1,142,833	841,573	(1,595,472)	10,937,573
Expenses									
Program services	166,173	202,079	1,641,186	1,539,797	856,285	386,260	215,472	-	5,007,252
Supporting services:									
Management and general	1,450,075	202,172	738,519	702,535	847,596	607,390	369,011	-	4,917,298
Fundraising and development	158	18,784	391,618	282,870	152,964	72,852	180,417	-	1,099,663
Central services	-	-	471,456	500,868	253,344	208,176	161,628	(1,595,472)	-
Total supporting services	1,450,233	220,956	1,601,593	1,486,273	1,253,904	888,418	711,056	(1,595,472)	6,016,961
Total expenses	1,616,406	423,035	3,242,779	3,026,070	2,110,189	1,274,678	926,528	(1,595,472)	11,024,213
Change in Net Assets	527,244	160,016	129,012	(63,060)	(623,052)	(131,845)	(84,955)	-	(86,640)
Net Assets (Deficit), beginning of year	2,833,615	(953,630)	2,938,365	(423,172)	(6,659,830)	(1,891,553)	(369,433)	-	(4,525,638)
Net Assets (Deficit), end of year	$ 3,360,859	$ (793,614)	$ 3,067,377	$ (486,232)	$ (7,282,882)	$ (2,023,398)	$ (454,388)	$ -	$ (4,612,278)

The Pacifica Foundation

Schedule of Activities by Division
For the Year Ended September 30, 2016

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
Revenue and Support									
Listener support and donations, net	$ 75	$ 68,228	$ 2,836,208	$ 2,504,410	$ 1,200,676	$ 883,693	$ 753,499	$ -	$ 8,246,789
Grants and contributions	140,497	61,749	392,405	246,291	112,954	24,526	110,047	-	1,088,469
Sub-carrier income	308,000	-	-	-	-	-	-	-	308,000
Community events	-	2,366	92,657	25,878	-	-	45,763	-	166,664
Other revenue	315,353	58,446	49,739	168,295	7,294	1,400	10,428	-	610,955
Interest income	312	20	39,519	5,716	-	68	600	-	46,235
Central services	1,386,912	208,560	-	-	-	-	-	(1,595,472)	-
Total revenue and support	2,151,149	399,369	3,410,528	2,950,590	1,320,924	909,687	920,337	(1,595,472)	10,467,112
Expenses									
Program services	830,475	190,811	1,634,113	1,299,114	1,174,324	573,411	478,332	-	6,180,580
Supporting services:									
Management and general	791,133	181,772	1,085,244	736,703	865,348	338,069	294,044	-	4,292,313
Fundraising and development	272,084	62,514	535,376	425,622	384,738	187,864	156,714	-	2,024,912
Central services	-	-	471,456	500,868	253,344	208,176	161,628	(1,595,472)	-
Total supporting services	1,063,217	244,286	2,092,076	1,663,193	1,503,430	734,109	612,386	(1,595,472)	6,317,225
Total expenses	1,893,692	435,097	3,726,189	2,962,307	2,677,754	1,307,520	1,090,718	(1,595,472)	12,497,805
Change in Net Assets	257,457	(35,728)	(315,661)	(11,717)	(1,356,830)	(397,833)	(170,381)	-	(2,030,693)
Net Assets (Deficit), beginning of year	2,576,158	(917,902)	3,254,026	(411,455)	(5,303,000)	(1,493,720)	(199,052)	-	(2,494,945)
Net Assets (Deficit), end of year	$ 2,833,615	$ (953,630)	$ 2,938,365	$ (423,172)	$ (6,659,830)	$ (1,891,553)	$ (369,433)	$ -	$ (4,525,638)

The Pacifica Foundation

Schedule of Expenses by Division
For the Year Ended September 30, 2017

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
Personnel costs	$ 594,185	$ 238,548	$ 1,887,557	$ 1,854,363	$ 564,448	$ 605,228	$ 385,696	$ -	$ 6,130,025
Advertising and promotion	152	-	10,580	8,717	500	160	7,084	-	27,193
Associations and periodicals	-	45	540	1,365	-	-	3,599	-	5,549
Audit and accounting	139,078	-	-	4,911	-	-	-	-	143,989
Bank charges and credit card fees	30,384	13,364	67,662	49,437	59,462	23,998	53,430	-	297,737
Board meetings and elections	44,221	-	1,793	22,068	4,993	2,520	1,911	-	77,506
Central services	-	-	471,456	500,868	253,344	208,176	161,628	(1,595,472)	-
Communications expense	27,938	5,756	172,126	99,922	62,260	49,510	58,484	-	475,996
Community events	-	-	30,389	9,222	16,691	4,071	16,168	-	76,541
Computer maintenance	42,228	4,439	14,856	22,496	2,944	-	272	-	87,235
Consultants	100,171	-	19,625	46,550	164,648	71,682	35,317	-	437,993
Depreciation and amortization	1,718	6,135	93,511	65,034	1,861	1,225	30,795	-	200,279
Direct mail and telemarketing	13,145	-	52,572	38,520	41,058	280	43,383	-	188,958
Equipment rental	-	2,670	10,477	21,719	21,731	4,569	12,247	-	73,413
Insurance	244,977	-	13,067	9,838	-	-	-	-	267,882
Legal fees	179,763	-	-	275	42,518	7,990	231	-	230,777
Miscellaneous	470	-	102	240	-	-	-	-	812
Rent-office/studio	-	-	-	-	72,352	154,528	-	-	226,880
Rent-tower	-	-	-	20,365	574,686	44,390	74,453	-	713,894
Office expenses	8,955	4,892	17,815	14,434	28,538	9,196	13,179	-	97,009
Outside services	10,259	6,007	55,808	6,720	85,575	1,775	1,918	-	168,062
Permits, fines and filing fees	1,524	-	3,385	5,463	-	450	-	-	10,822
Programming costs	146,240	250	82,535	44,277	23,156	415	1,400	-	298,273
Repairs and maintenance	4,069	2,374	62,195	60,188	12,599	27,251	13,674	-	182,350
Storage	15,890	23,079	-	2,955	11,600	-	-	-	53,524
Tapes and supplies	-	113,012	-	175	7,361	-	-	-	120,548
Taxes - property	-	-	58,127	4,660	-	-	-	-	62,787
Training conferences	375	-	6,224	-	999	2,615	-	-	10,213
Travel	4,957	-	4,601	919	11,841	769	2,095	-	25,182
Utilities	5,707	-	92,195	101,900	41,738	53,880	9,373	-	304,793
Website and audioport	-	2,464	13,581	8,469	3,286	-	191	-	27,991
Total Expenses	$ 1,616,406	$ 423,035	$ 3,242,779	$ 3,026,070	$ 2,110,189	$ 1,274,678	$ 926,528	$ (1,595,472)	$ 11,024,213

The Pacifica Foundation

Schedule of Expenses by Division
For the Year Ended September 30, 2016

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
Personnel costs	$ 746,966	$ 357,366	$ 1,996,377	$ 1,728,425	$ 592,506	$ 610,179	$ 537,557	$ -	$ 6,569,376
Advertising and promotion	-	-	5,235	3,403	1,507	-	1,066	-	11,211
Associations and periodicals	142	365	832	-	514	-	4,671	-	6,524
Audit and accounting	216,138	-	-	36,211	-	-	-	-	252,349
Bank charges and credit card fees	33,752	7,053	97,212	83,514	51,166	27,469	55,621	-	355,787
Board meetings and elections	43,364	-	28,650	34,631	21,748	1,600	20,233	-	150,226
Central services	-	-	471,456	500,868	253,344	208,176	161,628	(1,595,472)	-
Communications expense	83,528	8,617	153,785	107,321	21,159	70,968	61,154	-	506,532
Community events	-	781	42,464	5,011	5,651	7,665	21,527	-	83,099
Computer maintenance	30,374	280	1,834	21,302	416	150	-	-	54,356
Consultants	76,482	3,150	11,625	-	86,628	66,717	12,095	-	256,697
Depreciation and amortization	1,963	7,442	103,229	68,964	2,143	2,444	30,595	-	216,780
Direct mail and telemarketing	821	2,190	150,394	84,646	138,171	1,200	54,056	-	431,478
Equipment rental	129	3,460	8,861	17,073	21,809	6,136	10,419	-	67,887
Insurance	194,526	-	9,029	11,676	-	-	1,122	-	216,353
Legal fees	49,892	-	-	3,525	258,774	-	-	-	312,191
Miscellaneous	11,501	136	7,333	6,662	515	-	1,506	-	27,653
Rent-office/studio	-	-	-	-	63,600	166,744	-	-	230,344
Rent-tower	-	-	-	22,193	1,009,522	39,915	79,904	-	1,151,534
Office expenses	11,526	1,674	12,319	9,630	27,416	5,823	12,153	-	80,541
Outside services	1,410	-	-	-	100	-	-	-	1,510
Permits, fines and filing fees	300,000	-	73,253	590	-	-	25	-	373,868
Programming costs	65,050	-	50,259	18,784	15,256	9,262	-	-	158,611
Repairs and maintenance	5,224	892	44,386	69,412	30,041	20,162	13,886	-	184,003
Storage	-	23,068	-	2,513	12,097	-	-	-	37,678
Tapes and supplies	-	12,596	1,842	3,124	7,061	-	836	-	25,459
Taxes - property	-	-	337,826	9,202	-	-	-	-	347,028
Training conferences	1,016	3,551	48	-	-	-	1,507	-	6,122
Travel	7,112	54	4,805	2,303	8,490	-	246	-	23,010
Utilities	7,859	-	89,224	105,272	46,325	62,910	8,873	-	320,463
Website and audioport	4,917	2,422	23,911	6,052	1,795	-	38	-	39,135
Total Expenses	$ 1,893,692	$ 435,097	$ 3,726,189	$ 2,962,307	$ 2,677,754	$ 1,307,520	$ 1,090,718	$ (1,595,472)	$ 12,497,805