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# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**2002**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2002 calendar year, or tax year beginning and ending**

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

**C Name of organization**  
 Pacific News Service  
 Number and street (or P O box if mail is not delivered to street address) Room/suite  
 275 9th Street  
 City or town State or country ZIP + 4  
 San Francisco CA 94103

**D Employer identification number**  
 94-1709509

**E Telephone number**  
 415-503 4170

**F Accounting method**  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**G Web site** [www.pacificnews.org](http://www.pacificnews.org)

**J ORGANIZATION TYPE** (check only one)  501(c) ( 3 ) (insert no )  4947(a)(1) OR  527

**K Check here**  if the organization's gross receipts are normally not more than \$25 000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail it should file a return without financial data. SOME STATES REQUIRE A COMPLETE RETURN

**L Gross receipts** Add lines 6b, 8b, 9b, and 10b to line 12 **4,081,410**

**H and I are not applicable to section 527 organizations**  
 H(a) Is this a group return for affiliates?  Yes  No  
 H(b) If "Yes" enter number of affiliates **N/A**  
 H(c) Are all affiliates included?  Yes  No (If "No" attach a list. See instructions.)  
 H(d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
 I Enter 4-digit GEN \_\_\_\_\_

**M Check**  if the organization is NOT required to attach Sch B (Form 990 990-EZ or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)				
Revenue	1 Contributions, gifts, grants, and similar amounts received			
	a Direct public support	1a	3,284,155	
	b Indirect public support	1b		
	c Government contributions (grants)	1c		
	d TOTAL (add lines 1a through 1c) (cash \$ 3,284,155 noncash \$ 0 )	1d	3,284,155	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	782,033	
	3 Membership dues and assessments	3		
	4 Interest on savings and temporary cash investments	4	77	
	5 Dividends and interest from securities	5		
	6 a Gross rents	6a		
	b Less rental expenses	6b		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c	0	
7 Other investment income (describe _____)	7			
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
	b Less cost or other basis and sales expenses	8a	15,145	
	c Gain or (loss) (attach schedule)	8b	10,901	
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	0 8c	4,244	
	9 Special events and activities (attach schedule)	Schedule 4	8d	4,244
	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a		
	b Less direct expenses other than fundraising expenses	9b		
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c	0	
Revenue	10 a Gross sales of inventory, less returns and allowances	10a		
	b Less cost of goods sold	10b		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	0	
11 Other revenue (from Part VII, line 103)	11	0		
12 TOTAL REVENUE (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	4,070,509		
Expenses	13 Program services (from line 44, column (B))	13	4,107,562	
	14 Management and general (from line 44, column (C))	14	212,629	
	15 Fundraising (from line 44, column (D))	15	108,032	
	16 Payments to affiliates (attach schedule)	16		
	17 TOTAL EXPENSES (add lines 16 and 44, column (A))	17	4,428,223	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18	-357,714	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,220,409	
	20 Other changes in net assets or fund balances (attach explanation)	20		
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	862,695	

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**Part II**

**Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0)	0	0		
23	Specific assistance to individuals (attach schedule)	0	0		
24	Benefits paid to or for members (attach schedule)	0	0		
25	Compensation of officers, directors, etc	63,868	38,219	6,387	19,262
26	Other salaries and wages	1,857,442	1,725,641	121,837	9,964
27	Pension plan contributions	0	0	0	0
28	Other employee benefits	233,684	213,865	17,425	2,394
29	Payroll taxes	149,827	137,581	9,873	2,373
30	Professional fundraising fees	0	0	0	0
31	Accounting fees	17,431	0	17,431	0
32	Legal fees	2,445	2,445	0	0
33	Supplies	73,160	23,407	49,585	168
34	Telephone	39,211	14,198	24,708	305
35	Postage and shipping	47,390	30,065	15,776	1,549
36	Occupancy	124,659	33,864	90,795	0
37	Equipment rental and maintenance	127,906	94,399	33,505	2
38	Printing and publications	110,028	110,028	0	0
39	Travel	118,930	82,453	13,035	23,442
40	Conferences, conventions, and meetings	0	0	0	0
41	Interest	7,204	0	7,204	0
42	Depreciation, depletion, etc (attach schedule) Schedule 1	19,971	18,415	1,320	236
43	Other expenses not covered above (itemize) a Schedule 2	1,435,067	1,582,982	-196,252	48,337
b		0			
c		0			
d		0			
e		0			
f		0			
44	<b>TOTAL FUNCTIONAL EXPENSES</b> (add lines 22 through 43) ORGANIZATIONS COMPLETING COLUMNS (B)-(D) CARRY THESE TOTALS TO LINES 13-15	4,428,223	4,107,562	212,629	108,032

JOINT COSTS Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III**

**Statement of Program Service Accomplishments** (See page 24 of the instructions)

**Program Service Expenses**  
 Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others

What is the organization's primary exempt purpose? <input checked="" type="checkbox"/> Public education and community organizing		
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)		
a	Youth Communication - various projects under youth communication included Yo! Youth Outlook - A multi-media literacy journal of youth life in the Bay Area. Yo! produces 10 issues of our print magazine in 2002 to a readership of 25,000 nationwide and produces a website accessed by 900 readers daily. The Beat Within - A publication of writing and art from inside (Grants and allocations \$ _____)	
b	juvenile hall facilities and beyond The Beat conducts 40 workshops a week in 7 counties around SF Bay Area In 2002, the Beat Within initiated workshops in New York, Virginia and Southern California Pacific News Service - A collaboration of journalists bringing the least heard voices to the public forum weekday, organizes forum of public interest and (Grants and allocations \$ _____)	1,909,539
c	maintains a website (Grants and allocations \$ _____)	
d	New California Media - NCM continues to expand its network of over 400 ethnic media organizations. While producing the NCM Expo and Awards to showcase the ethnics media, the marketing programs have expanded to generate advertising dollars for member organizations (Grants and allocations \$ _____)	2,198,023
e	Other program services (attach schedule) (Grants and allocations \$ _____)	
f	<b>TOTAL OF PROGRAM SERVICE EXPENSES</b> (should equal line 44, column (B), Program services)	4,107,562

**Part IV**

**Balance Sheets** (See page 24 of the instructions)

<b>Note</b>		<b>(A)</b>		<b>(B)</b>	
Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		Beginning of year		End of year	
<b>Assets</b>	<b>45</b> Cash - non-interest-bearing		727,749	<b>45</b>	270,075
	<b>46</b> Savings and temporary cash investments		4,229	<b>46</b>	1,491
	<b>47 a</b> Accounts receivable	<b>47a</b> 120,111			
	<b>b</b> Less allowance for doubtful accounts	<b>47b</b> 0	36,892	<b>47c</b>	120,111
	<b>48 a</b> Pledges receivable	<b>48a</b> 0			
	<b>b</b> Less allowance for doubtful accounts	<b>48b</b> 0	0	<b>48c</b>	0
	<b>49</b> Grants receivable		643,750	<b>49</b>	1,166,850
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule)		0	<b>50</b>	0
	<b>51 a</b> Other notes and loans receivable (attach schedule)	<b>51a</b> 0			
	<b>b</b> Less allowance for doubtful accounts	<b>51b</b> 0	0	<b>51c</b>	0
	<b>52</b> Inventories for sale or use			<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges		23,146	<b>53</b>	10,012
	<b>54</b> Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	<b>54</b>	0
	<b>55 a</b> Investments - land, buildings, and equipment basis	<b>55a</b> 0			
	<b>b</b> Less accumulated depreciation (attach schedule)	<b>55b</b> 0	0	<b>55c</b>	0
<b>56</b> Investments - other (attach schedule)		0	<b>56</b>	0	
<b>57 a</b> Land, buildings, and equipment basis	<b>57a</b> 87,969				
<b>b</b> Less accumulated depreciation (attach schedule) Schedule 1	<b>57b</b> 29,763	43,186	<b>57c</b>	58,206	
<b>58</b> Other assets (describe <input type="checkbox"/> See attached worksheet )		36,104	<b>58</b>	43,380	
<b>59</b> TOTAL ASSETS (add lines 45 through 58) (must equal line 74)		1,515,056	<b>59</b>	1,670,125	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses		294,647	<b>60</b>	392,383
	<b>61</b> Grants payable			<b>61</b>	
	<b>62</b> Deferred revenue		0	<b>62</b>	125,000
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule)		0	<b>63</b>	0
	<b>64 a</b> Tax-exempt bond liabilities (attach schedule)		0	<b>64a</b>	0
	<b>b</b> Mortgages and other notes payable (attach schedule)		0	<b>64b</b>	0
	<b>65</b> Other liabilities (describe <input type="checkbox"/> See attached worksheet )		0	<b>65</b>	290,047
<b>66</b> TOTAL LIABILITIES (add lines 60 through 65)		294,647	<b>66</b>	807,430	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>				
	<b>67</b> Unrestricted		11,755	<b>67</b>	-154,259
	<b>68</b> Temporarily restricted		1,208,654	<b>68</b>	1,016,954
	<b>69</b> Permanently restricted			<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>				
	<b>70</b> Capital stock, trust principal, or current funds			<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund			<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds			<b>72</b>	
<b>73</b> TOTAL NET ASSETS OR FUND BALANCES (add lines 67 through 69 OR lines 70 through 72, column (A) MUST equal line 19, column (B) MUST equal line 21)		1,220,409	<b>73</b>	862,695	
<b>74</b> TOTAL LIABILITIES AND NET ASSETS / FUND BALANCES (add lines 66 and 73)		1,515,056	<b>74</b>	1,670,125	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.



Part VII Other Information (See page 27 of the instructions)

Yes No

76	Did the organization engage in any activity not previously reported to the IRS? If "Yes" attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on FORM 990-T for this year?	78b		N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization <b>N/A</b> _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt			
81 a	Enter direct or indirect political expenditures See line 81 instructions	81a	0	
b	Did the organization file FORM 1120-POL for this year?	81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a		N/A
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b		N/A
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		N/A
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		N/A
85	501(c)(4), (5), or (6) organizations			
a	Were substantially all dues nondeductible by members?	85a		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, DO NOT complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b		N/A
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		N/A
86	501(c)(7) orgs Enter			
a	Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87	501(c)(12) orgs Enter			
a	Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>			
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization			0
90 a	List the states with which a copy of this return is filed <b>California</b>			
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b		45
91	The books are in care of <b>Pacific News Service</b> Telephone no <b>415-503 4170</b> Located at <b>275 9th Street, San Francisco, CA</b> ZIP + 4 <b>94103</b>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of FORM 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A	

**Part VII Analysis of Income-Producing Activities** (See page 31 of the instructions)

**Note** Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue					
<b>a</b> Marketing services and commissions					678,706
<b>b</b> Other program fees					36,535
<b>c</b> Subscriptions					66,792
<b>d</b>					
<b>e</b>					
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments					
<b>95</b> Interest on savings and temporary cash investments			14	77	
<b>96</b> Dividends and interest from securities					
<b>97</b> Net rental income or (loss) from real estate					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory			01	4,244	
<b>101</b> Net income or (loss) from special events					
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue					
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>104</b> Subtotal (add columns (B), (D), and (E))		0		4,321	782,033
<b>105</b> TOTAL (add line 104, columns (B), (D), and (E))					786,354

**Note** Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a - c	Publications of news/magazines articles, TV & radio networks, consulting contracts and seminars fulfill the organization's primary role of enhancing public education

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 32 of the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 33 of the instructions)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

**Note** If "Yes" to (b), file Form 8870 AND Form 4720 (see instructions)

Under penalties of perjury I declare that I have examined this return including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Please Sign Here**

Signature of officer: Alexandra Close Date: 1/10/15/03

Type or print name and title: Alexandra Close, Executive Director

**Paid Preparer's Use Only**

Preparer's signature: Ghaffari, Zaragoza & Setchko LLP Date: 10/8/2003 Check if self-employed:

Firm's name (or yours if self-employed) address, and ZIP + 4: Ghaffari, Zaragoza & Setchko LLP  
440 Grand Ave., Ste 208, Oakland, CA 94610

Preparer's SSN or PTIN (See Gen. Inst. W):  
 EIN: 57-1155648  
 Phone no: (510) 834-6542

\* If you are filing for an ADDITIONAL (NOT AUTOMATIC) 3-MONTH EXTENSION, COMPLETE ONLY PART II and check this box  X

NOTE ONLY COMPLETE PART II IF YOU HAVE ALREADY BEEN GRANTED AN AUTOMATIC 3-MONTH EXTENSION ON A PREVIOUSLY FILED FORM 8868

\* If you are filing for an AUTOMATIC 3-MONTH EXTENSION, COMPLETE ONLY PART I (on page 1)

**PART II** ADDITIONAL (NOT AUTOMATIC) 3-MONTH EXTENSION OF TIME - MUST FILE ORIGINAL AND ONE COPY

TYPE OR PRINT	Name of Exempt Organization Pacific News Services	EMPLOYER IDENTIFICATION NUMBER 94-1709509
	Number, street, and room or suite no. If a P O box, see instructions 275 9th Street	
File by the extended due date for filing the return See instructions	City, town or post office state, and ZIP code For a foreign address see instructions San Francisco, CA 94103	

CHECK TYPE OF RETURN TO BE FILED (File a separate application for each return)

Form 990     Form 990-EZ     Form 990-T (sec 401(a) or 408(a) trust)     Form 1041-A     Form 5227     Form 8870

Form 990-BL     Form 990-PF     Form 990-T (trust other than above)     Form 4720     Form 6069

STOP DO NOT COMPLETE PART II IF YOU WERE NOT ALREADY GRANTED AN AUTOMATIC 3-MONTH EXTENSION ON A PREVIOUSLY FILED FORM 8868

\* If the organization does NOT have an office or place of business in the United States, check this box

\* If this is for a GROUP RETURN, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the WHOLE group, check this box  If it is for PART of the group, check this box  and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until 11/15/2003

5 For calendar year 2002, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

6 If this tax year is for less than 12 months, check reason  Initial return  Final return  Change in accounting period

7 State in detail why you need the extension Additional time is needed to gather sufficient information in order to file a complete informational return

8 a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ \_\_\_\_\_ 0

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ \_\_\_\_\_ 0

c BALANCE DUE Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ \_\_\_\_\_ 0

**SIGNATURE AND VERIFICATION**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature A. C. [Signature] Title Certified Public Accountant Date 8/5/2003

**NOTICE TO APPLICANT-TO BE COMPLETED BY THE IRS**

We HAVE approved this application Please attach this form to the organization's return

We HAVE NOT approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return

We HAVE NOT approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file We are not granting a 10-day grace period

We CANNOT CONSIDER this application because it was filed after the due date of the return for which an extension was requested

Other \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

ALTERNATE MAILING ADDRESS - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

TYPE OR PRINT	NAME Ghaffari, Zaragoza & Setchko LLP
	NUMBER AND STREET (INCLUDE SUITE, ROOM, OR APT NO ) OR A P O BOX NUMBER 440 Grand Ave., Suite 208
	CITY OR TOWN, PROVINCE OR STATE, AND COUNTRY (INCLUDING POSTAL OR ZIP CODE) Oakland, CA 94610

**EXTENSION APPROVED**  
**AUG 19 2003**  
**LINDA WEISKOPF, FIELD DIRECTOR**  
**SUBMISSION PROCESSING CENTER**



**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

**(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust**  
**Supplementary Information - (See separate instructions )**

**MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

**2002**

Name of the organization Pacific News Service	Employer identification number 94-1709509
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**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Julian Do 11461 Lampson Ave Garden Grove, CA 92840	Co-Director 40 hours/week	54,333	9,144	0
Mona Koh 1615 Judah Street San Francisco, CA 94122	Web Manager 40 hours/week	53,450	3,804	0
David Pham 40 Service Street San Francisco, CA 94123	Web Master 40 hours/week	54,900	3,804	0
Conn Pu 79 Dolores Street #9 San Francisco, CA 94103	Video Producer 40 hours/week	53,700	3,732	0
Michael Zack 275 9th Street, 3rd Floor San Francisco, CA 94103	Accountants 40 hours/week	52,700	3,708	0
Total number of other employees paid over \$50,000	5			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services	None	

**Part III** **Statements About Activities** (See page 2 of the instructions )

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ 0 (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B.)  
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities
- 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions )
  - a Sale, exchange, or leasing of property?
  - b Lending of money or other extension of credit?
  - c Furnishing of goods, services, or facilities?
  - d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? Schedule 5
  - e Transfer of any part of its income or assets?
- 3 Does the organization make grants for scholarships, fellowships, student loans, etc ? (See NOTE below )
- 4 Do you have a section 403(b) annuity plan for your employees?

	Yes	No
1		X
2		
2a		X
2b		X
2c		X
2d	X	
2e		X
3		X
4	X	

**Note** Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments

**Part IV** **Reason for Non-Private Foundation Status** (See pages 3 through 5 of the instructions )

The organization is not a private foundation because it is (Please check only ONE applicable box )

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) ENTER THE HOSPITAL'S NAME, CITY, AND STATE \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the SUPPORT SCHEDULE in Part IV-A )
- 11 a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the SUPPORT SCHEDULE in Part IV-A )
- 11 b  A community trust Section 170(b)(1)(A)(vi) (Also complete the SUPPORT SCHEDULE in Part IV-A )
- 12  An organization that normally receives (1) MORE THAN 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) NO MORE THAN 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the SUPPORT SCHEDULE in Part IV-A )
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

Provide the following information about the supported organizations (See page 5 of the instructions )

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions )

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12 ) USE CASH METHOD OF ACCOUNTING

**Note** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants See line 28 )	2,702,870	4,074,194	2,033,297	1,381,094	10,191,455
<b>16</b> Membership fees received					0
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	490,129	371,595	258,414	82,816	1,202,954
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	6,261	5,748	585	1,538	14,132
<b>19</b> Net income from unrelated business activities not included in line 18					0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
<b>22</b> Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
<b>23</b> Total of lines 15 through 22	3,199,260	4,451,537	2,292,296	1,465,448	11,408,541
<b>24</b> Line 23 minus line 17	2,709,131	4,079,942	2,033,882	1,382,632	10,205,587
<b>25</b> Enter 1% of line 23	31,993	44,515	22,923	14,654	
<b>26</b> ORGANIZATIONS DESCRIBED ON LINES 10 OR 11 <b>a</b> Enter 2% of amount in column (e), line 24 <b>N/A</b>					0
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a DO NOT FILE THIS LIST WITH YOUR RETURN Enter the total of all these excess amounts					
<b>c</b> Total support for section 509(a)(1) test Enter line 24 column (e)					0
<b>d</b> Add Amounts from column (e) for lines 18 _____ 0 19 _____ 0 22 _____ 0 26b _____ 0					0
<b>e</b> Public support (line 26c minus line 26d total)					0
<b>f</b> PUBLIC SUPPORT PERCENTAGE (LINE 26E (NUMERATOR) DIVIDED BY LINE 26C (DENOMINATOR))					0.00%
<b>27</b> ORGANIZATIONS DESCRIBED ON LINE 12 <b>a</b> For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" DO NOT FILE THIS LIST WITH YOUR RETURN Enter the sum of such amounts for each year					
(2001) <u>1,608,500</u> (2000) <u>1,838,000</u> (1999) <u>0</u> (1998) <u>0</u>					
<b>b</b> For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the LARGER of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals ) DO NOT FILE THIS LIST WITH YOUR RETURN After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2001) <u>282,977</u> (2000) <u>20,970</u> (1999) <u>0</u> (1998) <u>0</u>					
<b>c</b> Add Amounts from column (e) for lines 15 <u>10,191,455</u> 16 _____ 0 17 <u>1,202,954</u> 20 _____ 0 21 _____ 0					11,394,409
<b>d</b> Add Line 27a total <u>3,446,500</u> and line 27b total <u>303,947</u>					3,750,447
<b>e</b> Public support (line 27c total minus line 27d total)					7,643,962
<b>f</b> Total support for section 509(a)(2) test Enter amount from line 23, column (e)					11,408,541
<b>g</b> PUBLIC SUPPORT PERCENTAGE (LINE 27E (NUMERATOR) DIVIDED BY LINE 27F (DENOMINATOR))					67.00%
<b>h</b> INVESTMENT INCOME PERCENTAGE (LINE 18, COLUMN (E) (NUMERATOR) DIVIDED BY LINE 27F (DENOMINATOR))					0.12%
<b>28</b> UNUSUAL GRANTS For an organization described in line 10, 11 or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant DO NOT FILE THIS LIST WITH YOUR RETURN Do not include these grants in line 15 <b>None</b>					

**Part V**

**Private School Questionnaire** (See page 7 of the instructions )  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
	If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A**

**Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions )  
(To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check **a**  if the organization belongs to an affiliated group Check **b**  if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures		(a)	(b)
(The term "expenditures" means amounts paid or incurred )		Affiliated group totals	To be completed for ALL electing organizations
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>	
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	0 0
<b>39</b>	Other exempt purpose expenditures	<b>39</b>	
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	0 0
<b>41</b>	Lobbying nontaxable amount Enter the amount from the following table -		
	<b>If the amount on line 40 is -</b>		
	<b>The lobbying nontaxable amount is -</b>		
	Not over \$500,000		20% of the amount on line 40
	Over \$500,000 but not over \$1,000,000		\$100,000 plus 15% of the excess over \$500,000
	Over \$1,000,000 but not over \$1,500,000		\$175,000 plus 10% of the excess over \$1,000,000
	Over \$1,500,000 but not over \$17,000,000		\$225,000 plus 5% of the excess over \$1,500,000
	Over \$17,000,000		\$1,000,000
<b>41</b>		<b>41</b>	0 0
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	0 0
<b>43</b>	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>	0 0
<b>44</b>	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>	0 0

**Caution** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
See the instructions for lines 45 through 50 on page 11 of the instructions )

N/A

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
<b>45</b> Lobbying nontaxable amount					0
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					0
<b>47</b> Total lobbying expenditures					0
<b>48</b> Grassroots nontaxable amount					0
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					0
<b>50</b> Grassroots lobbying expenditures					0

**Part VI-B**

**Lobbying Activity by Nonelecting Public Charities**  
(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions )

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h )
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h )

Yes	No	Amount
		0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities



**Line 58 (990) - Other Assets**

		Beginning	End
1 Employee Advances	1	14,308	16,473
2 Deposits	2	21,796	26,907
3	3		
4	4		
5	5		
6	6		
7	7		
8	8		
9	9		
10	10		
11 Total other assets		36,104	43,380

Pacific News Service  
 EIN 94-1709509  
 Year Ended December 31, 2002  
 Schedules Attached to 2002 Form 990

**Schedule 1 - Part II, line 42 and Part IV, line 57 - Fixed assets and depreciation**

Description	Method/ Life	Cost or Basis	Prior Depr	Current Depr	Accum Depr
Furniture and Equipment	SL/5 years	87,969	9,792	19,971	29,763
		87,969	9,792	19,971	29,763

**Schedule 2 - Part II, line 43 - Other expenses**

	(A) Total	(B) Program services	(C) Mgmt & general	(D) Fundraising
Other professional fees	959,049	901,193	14,128	43,728
Hospitality	26,501	18,566	6,501	1,434
Insurance	3,577	0	3,577	0
Bank charges	3,087	146	2,941	0
Production	76,725	76,725	0	0
Dues & subscriptions	3,677	3,677	0	0
Marketing	13,187	13,187	0	0
Ad placement	219,462	219,462	0	0
Expo and awards	111,731	111,731	0	0
Bad debt expense	150	150	0	0
Fees and taxes	273	0	273	0
Honorarium	5,857	5,857	0	0
Miscellaneous expense	11,791	6,410	5,212	169
Shared cost	0	225,878	(228,884)	3,006
<b>Total other expenses</b>	<b>1,435,067</b>	<b>1,582,982</b>	<b>(196,252)</b>	<b>48,337</b>



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**Schedule 3 - Part V - List of officers, directors, trustees, and key employees**

(A) Name and address	(B) Title and avg hours per week	(C) Compensation	Contributions to emp benefits	(E) Expenses acct
Alberto Huerta 1200 Fulton Street #609 San Francisco, CA 94117-1528	Director 0.5 hour/week	0	0	0
Michael Kroll 460 Weldon Ave Pakland, CA 94610	Director 0.5 hour/week	0	0	0
Rasa Gustaitis 1330 Broadway, 11th Floor Oakland, CA 94612	Director 0.5 hour/week	0	0	0
Rosario Anaya 2929 19th Street San Francisco, CA 94110	Director 0.5 hour/week	0	0	0
Rose del Castillo Guribault 100 Van Ness Ave, 2nd FL San Francisco, CA 94102-5292	Director 0.5 hour/week	0	0	0
Cobie Kwasi Harris 1108 Bancroft Way Berkeley, CA 94702	Treasurer 2 hours/week	0	0	0
George Koo 60 S Market Street, Suite 800 San Jose, CA 95113	Director 0.5 hour/week	0	0	0
Paulette J Meyer 408 Columbus Ave Suite 4 San Francisco, CA 94133	Director 0.5 hour/week	0	0	0
Franz Schurmann 275 9th Street San Francisco, CA 94103	Secretary 2 hours/week	0	0	0
Ling-Chi Wang Ethnic Studies Dept UC Berkeley, Berkeley, CA 94720	Director 0.5 hour/week	0	0	0
David Lee 838 Grant Ave Suite 403 San Francisco, CA 94108	Director 0.5 hour/week	0	0	0
Alan Marks One Harrison Street San Francisco, CA 94105	Director 0.5 hour/week	0	0	0
Sandy Close 660 Market Street, Suite 210 San Francisco, CA 94104	President/ Executive Director 40 hours/week	63,868	0	0

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**Schedule 4 - Part I, line 8 - Sales of assets other than inventory**

	<u>Office Equipment</u>
Date acquired	Various
Method acquired	Purchased
Date sold	12/31/02
Whom sold	Stolen
Proceed from insurance	15,145
Cost	37,130
Depreciation	(26,229)