

Minutes for the regular National Finance Committee meeting December 14, 2021.

Meeting convened at 8:35 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Fred Blair, Chris Cory, Lynden Foley, Elizabeth von Gunten, Julie Hewitt, R. Paul Martin (Secretary), Sean Kelly McPherson, James Sagurton (Chair) also attending was NETA Controller Julia Kennard.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt Agenda
4. Chair's Announcements (2 minutes)
5. Minutes Approval (3 minutes)
6. Report, if available, from the Pacifica Executive Director (10 minutes Report and Q&A)
7. Third Party Fundraising (10 minutes)
8. Review the year end September Financials and October Financials. (interim CFO Reporting and Q&A 40 minutes)
9. Interim CFO Report (10 minutes Report and Q&A)
10. Budget Timelines and schedule for NFC review of budgets for FY22 (5 minutes)
11. Unfinished business with the National Office; compile a list to share with the NO of year end outstanding items (5 minutes)
12. Adjourn to Executive Session no later than 09:45 PM (ET)

Motion: (James Sagurton) "To adopt the agenda." (Passed without objection)

The Committee discussed the motion.

Chair's Announcements 8:41 PM (ET)

"The NFC membership is changing as a result of the annual reorganization elections that are underway at the stations. Tonight we are joined by, Sean Kelly McPherson, newly elected Treasurer from KPFT. Welcome Sean. Thank you, Teresa Allen, for your service. Welcome back to our reelected Treasurers, Nick Arena (WPFW) and R. Paul Martin (WBAI). KPFA has not had its LSB elections yet but Sharon Adams terms out at the end of this session. Thank you for your service, Sharon. KPFA has not had their LSB elections yet.

Our interim CFO will not be joining us tonight. In her place will be NETA Controller Julia Kennard who is the person that does much of the work at NETA for Pacifica.

Tonight we will continue to review the year end September 2021 Financials and begin a review

of the October 2021 Financials.

At the end of our open public meeting tonight we will go into Executive Session to review the confidential Management Letter from the 2020 Audit. The Audit Committee Chair, Eileen Rosin, will join us in the Executive Session.”

Newly elected KPFT Treasurer Sean Kelly McPherson introduced himself to the committee.

Report, if available, from the Pacifica Executive Director 8:45 PM (ET)

The interim Executive Director was not at the meeting.

Third Party Fundraising 8:45 PM (ET)

Motion: (Elizabeth von Gunten) “The NFC recommends to the PNB that it adopt the following motion:

Whereas current Pacifica third party fundraising practices present unresolved financial, regulatory, and policy issues; and

Whereas Pacifica policy is to conduct all business in compliance with current Pacifica bylaws and policy, and all applicable laws and regulations;

Therefore be it resolved that Pacifica shall pause all third party fundraising immediately and until all outstanding financial, regulatory, and policy issues are identified and resolved, and appropriate Pacifica policy and procedures are adopted by the PNB, documented, and implemented at all Pacifica stations. All findings and proposals pursuant to this resolution shall be reported to the PNB at each PNB meeting until all outstanding issues are resolved.” (Passed 6 for, 3 against)

The Committee discussed the motion.

Point of Order: (Sean Kelly McPherson) The member questioned if the motion had been made with sufficient notice.

They Chair ruled that it had been.

The Committee discussed the motion.

Motion: (Fred Blair) “To extend the time for this item by 10 minutes.” (Passed without objection) 8:59 PM (ET)

The Committee continued to discuss the motion.

Motion: (Sean Kelly McPherson) “To extend the time for this item by five minutes” (Passed

without objection) 9:12 PM (ET)

Motion: (Sean Kelly McPherson) “To postpone the motion to next the meeting of the NFC.”
(Fails 4 for, 5 against)

The Committee discussed the motion.

Review the year end September Financials and October Financials 9:21 PM (ET)

The NETA Controller told the committee that for the September financials the percentages have been corrected. She said that the percent column was not automatically calculated, but was done by hand. She said they have to update the software. She said that regarding a KPFFK phone expense that was twice the normal amount she did not think that it was a duplicate billing. She said that she has it marked as something to look at for the audit.

The Chair asked members to let the NETA Controller know if they find any other issues.

The NETA Controller went over the October financials and said that with regard to revenue the consolidated Net Income was about \$109,000 which was about 66% less than the prior year. She said that the biggest thing was that KPFFK’s October revenue was about \$250,000 less than in FY20. She said that KPFFK’s latest on-air fund raiser averaged about \$5,000 a day and was over \$10,000 a day last year. She said that with regard to revenue all stations were down, except for WPFW which was up 22%. She said that with regard to expenses KPFFK was down dramatically by 34% or about \$105,000 largely because they had cut Staff. She said that the KPFFK General Manager had worked on some contracts. She said that KPFT was down about 10%, WBAI was up about 42% mostly in premiums and premium shipping. She said that some of those expenses might need to be accrued back to September. She noted that the National Office had legal fees and some expenses might be due to PBS invoices that she needs to look into. (A copy of the NETA Controller’s “Pacifica Foundation Financial Narrative for October 2021” is appended to these minutes.)

In answer to a question the NETA Controller said that there had been a banking error of about \$90,000 where the revenue had been posted to wrong account.

The Secretary noted that the “Minutes Approval” agenda item had been skipped. The Chair said the committee would go right to that agenda item.

Minutes Approval 9:41 PM (ET)

Motion: (R. Paul Martin) “To approve the minutes of the November 30, 2021, NFC meeting.”
(Passed without objection)

The Chair said it was time to adjourn to the executive session.

Adjourned 10:42 PM (ET)

Submitted by R. Paul Martin, Secretary.

APPENDIX

Pacifica Foundation Financial Narrative for October 2021

Financial Dashboard

Consolidated Report

Consolidated net operating gain or loss without depreciation: Net income YTD through October 31, 2021 is \$126K vs. \$324K net income YTD as of last October showing an overall decrease in income of \$199K.

Total Revenue: Total revenue YTD through October 2021 is \$952K vs \$1.2M YTD October 2020, an decrease of \$229K or 19%.

Total Expenses: Total expenses YTD through October 2021 are \$826K vs. \$857K YTD October 2020, a decrease of \$30K or 4%.

KPFA

KPFA shows income for the period of \$76K compared to prior YTD income of \$88K.

KPFK

KPFK shows a loss for the period of \$54K compared to a prior YTD income of \$91K.

KPFT

KPFT shows income for the period of \$695 compared to a prior YTD loss of \$931.

WBAI

WBAI shows a loss for the period of \$36K compared to a prior YTD loss of \$12K.

WPFW

WPFW shows income of \$123K for the period compared to prior YTD loss of \$85K.

Profit & Loss Statement

Revenue

Total Revenue YTD through October 2021 is \$952K vs \$1.2M YTD October 2020, a decrease of \$229K or 19%.

Listener Support is below prior year at \$780K vs \$919K for October 2021, a decrease of \$139K.

Major Donor Revenue for YTD through October 2021 is \$21K vs. \$82K YTD October 2020, a decrease of \$61K.

Donations for YTD through October 2021 is \$9K vs. \$18K YTD October 2020, a decrease of \$9K.

Total revenue by unit:

KPFA shows a decrease of \$13K or 4% over FY21.

KPFK shows a decrease of \$250K or 63% over FY21.

KPFT shows a decrease of \$4K or 7% over FY21.

WBAI shows an increase of \$3K or 4% over FY21.

WPFW shows an increase of \$47K or 22% over FY21.

PAN shows an increase of \$9K or 83% over FY21.

NO shows a decrease of \$21K or 61% over FY21.

PRA shows a decrease of \$1K or 17% over FY21.

Expenses

Total Expenses through October 2021 are \$826K vs. \$857K YTD October 2020, a decrease of \$30K or 4%.

KPFA shows a decrease of \$2K or 1% over FY21.

KPFK shows a decrease of \$105K or 39% over FY21.

KPFT shows a decrease of \$5K or 13% over FY21.

WBAI shows an increase of \$27K or 32% over FY21.

WPFW shows an increase of \$8K or 8% over FY21.

PAN shows an increase of \$5K or 25% over FY21.

NO shows a decrease of \$67K or 59% over FY21.

PRA shows an increase of \$3K or 11% over FY21.

Personnel expenses for the period of October are \$48K less than FY21 at \$494K.

KPFA shows an increase of \$10K or 5% over FY21.

KPFK shows a decrease of \$80K or 43% over FY21.

KPFT shows an increase of \$1K or 7% over FY21.

WBAI shows an increase of \$5K or 11% over FY21.

WPFW shows an increase of \$10K or 22% over FY21.

PAN shows a decrease of \$4K of 23% over FY21.

NO shows an increase of \$7K or 46% over FY21.

PRA shows an increase of \$2K or 10% over FY21.

Administrative expenses for YTD through October 2021 are \$190K vs \$203K YTD October 2020, a decrease of \$13K or 7%.

Programming expenses for YTD through October 2021 are \$69K vs \$63K YTD October 2020, an increase of \$6K or 9%.

Development expenses YTD through October 2021 are \$60K vs \$47K YTD October 2020, an increase of \$13K or 27%.

Community/Special Events expenses YTD through October 2021 are \$1.8K vs \$2.1K October 2020, a decrease of \$289 or 13%.

Net Income/Loss without Depreciation overall YTD through October 31, 2021 is \$126K vs. \$324K net income YTD as of last October showing an overall decrease in income of \$199K

KPFA YTD through October 2021 is \$76K vs \$88K in 2020, a decrease of \$11K.

KPFB YTD through October 2021 is (\$54K) vs \$91K in 2020, a decrease of \$145K.

KPFT YTD through October 2021 is \$695 vs (\$931) in 2020, an increase of \$1.6K.

WBAI YTD through October 2021 is (\$36K) vs (\$12K) in 2020, a decrease of \$24K.

WPFW YTD through October 2021 is \$123K vs \$85K in 2020, an increase of \$39K.

PAN YTD through October 2021 is (\$3K) vs. (\$12K) in 2020, an increase of \$9K.

NO YTD through October 2021 is \$23K vs \$87K in 2020, a decrease of \$64K.

PRA YTD through October 2021 is (\$6K) vs (\$2K) in 2020, a decrease of \$4K.