

Minutes for the regular National Finance Committee meeting December 13, 2011.

Meeting convened at 8:36 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Ken Aaron, Jim Boyd, Bill Crosier, Marcus Jetter, Campbell Johnson, Kim Kaufman, R. Paul Martin, Tracy Rosenberg, Alex Steinberg, Barbara Whipperman, Lavarn Williams, also on the call was Otis Hardy Maclay who handles IT for Pacifica.

Agenda:

1. Role Call and Approve Agenda (10 minutes)
2. Approve Public Session Minutes (10 minutes)
3. Station Reviews - Fiscal Year Budgets to Actual and Overall Results (75 minutes)
 - a) WBAI - R Paul Martin
 - b) KPFA - Barbara Whipperman
4. Audit Committee/Sarbanes (10 minutes)
5. Pending Discussion Items (as possible) (45-60 minutes)
 - a) Central File Servers
 - b) File Naming Protocol
 - c) On-Air Fundraiser Receipts
 - d) Training Update
 - e) Accounting Platforms
6. Adjourn

Motion: (Kim Kaufman) "to approve the agenda." (Passed without objection)

Approve Public Session Minutes 8:43 PM (ET)

A small addition was suggested and accepted to the draft minutes.

Motion: (Jim Boyd) "To approve the minutes of the November 29, 2011, public session meeting." (passed 8 for, 0 against, 3 abstentions)

Station Reviews - Fiscal Year Budgets to Actual and Overall Results 8:48 PM (ET)

WBAI 8:49 PM (ET)

The WBAI Treasurer reported The WBAI LSB Finance Committee wants more information on the Capital Items lines, especially the "Computer System" line. Only there do we see any activity in the Capital Items in the actuals for FY11 and then it seems to get zeroed out in September.

"Total Revenue" for WBAI is better than budget by \$3,874. That's one tenth of one percent. "Net Income (Net Loss)" was budgeted at (\$434,092) and the actual was (\$563,850) which is (\$129,757) worse than budget or about 30%. However, "Shared Expenses" plays a significant role in this where on an accrual basis WBAI was supposed to have paid \$478,641 but didn't. WBAI's General Manager says that the station actually paid about \$80,000 this past year.

WBAI's General Manager says that the real net is about \$85,000 in the red. And if you take "Total Direct Expenses" from "Total Revenue" you end up with the actual being (\$85,208), but the station was budgeted to be \$30,714 in the black. So that would be about \$116,000 worse than budget as opposed to (\$129,757).

"Listener Support" was budgeted at \$2,383,623 and the actual is \$2,469,912 so the station came in \$86,290 better than budget. WBAI's General Manager told the WBAI LSB Finance Committee that WBAI's overall fulfillment rate for FY11 is about 79%, which is an improvement over past years.

"Telephone" is (\$28,587) worse than budgeted, and the Finance Committee is asking for the signed contract.

Overall WBAI is doing better than it had been for years, but with its expenses it is not doing better enough. At this rate it will be years before the station is self sustaining again.

The committee discussed the report. Making cuts was discussed. The viability of putting the Saturday morning ticket sales on-line was briefly discussed. The CFO said that she had faxed the signed telephone contract. She said that part of the issue is the question of when the new telephone system will be fully installed so that the old one can be let go. She is hoping that the WBAI Operations Director will do that soon. There was a short discussion about WBAI's lease which expires in 12 months.

KPFA 9:37 PM (ET)

The KPFA Treasurer reported that Listener Support was short by \$167,013 and revenue was less than budget by about \$151,000. KPFA had been starting its Fall on-air fund raiser in September, but this year did it all in October, so that would have contributed to the Listener Support shortfall. Major Donor income was slightly higher. Expenses were higher in payroll and legal fees.

The committee discussed the report. The CFO noted that headcount was down by about five FTEs for FY11, and that legal costs were still being determined. Pacifica is still trying to get KPFA reimbursed by the county for some taxes it has paid. There are still

efforts ongoing to get KPFA funding from the San Francisco Foundation. There was a short discussion about salary expenses.

Audit Committee/Sarbanes 10:04 PM (ET)

The Chair explained the Sarbanes-Oxley law passed in 2002. Pacifica likes to follow this law even though not all of it applies to non-profits. The Sarbanes-Oxley law says that only Directors can be on an Audit Committee. The chair asked if the NFC should recommend this to the PNB.

The committee discussed this, some members suggested that Pacifica get a formal legal opinion on the issue. The CFO asked the current auditor about this and reported that he said that the Sarbanes-Oxley law doesn't apply to non-profits, but the state of California has adopted some of its provisions, we need to investigate what those California provisions are.

Central File Servers 10:26 PM (ET)

The topic of the NFC having a central file server, as opposed to using the Yahoo! Group for everything, was discussed. Otis Hardy Maclay was brought onto the call and he said that it might be possible to try this in January.

Motion: (Barbara Whipperman) "To reinstate the December 27, 2011, meeting." (passed 9 for, 1 against, 1 abstention)

The CFO said that the NFC should be sent the Financial Recovery Plan.

There was a short discussion about possible changes in Treasurers after this meeting. The Chair said that all of the old Treasurers should attend the next meeting whether they were re-elected or not.

Adjourned 10:51 PM (ET)

Submitted by R. Paul Martin, Secretary.