

Minutes for the regular National Finance Committee meeting December 28, 2021.

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

Attending: Chris Cory, Lynden Foley, Elizabeth von Gunten, Kim Kaufman, R. Paul Martin (Secretary), Sean Kelly McPherson, James Sagurton (Chair), Anita Sims (interim CFO) 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, Welcome new member (2 minutes)
5. Minutes Approval (3 minutes)
6. Report, if available, from the Pacifica Executive Director (10 minutes Report and Q&A)
7. Report from the interim CFO (20 minutes)
8. Preliminary Review of November 2021 financials. (Controller, Julia Kennard reporting and Q&A 40 minutes)
9. Budget Timelines and schedule for NFC review of budgets for FY22 (5 minutes)
10. Unfinished business with the National Office; compile a list to share with the NO of year end outstanding items (5 minutes)
11. Adjourn no later than 10:15 PM (ET)

Chair's Announcements, Welcome new member 8:40 PM (ET)

"The NFC membership is changing as a result of the annual reorganization elections at the stations. Tonight we are joined by the newly elected Treasurer at KPFK, Kim Kaufman. Welcome Kim.

Our interim CFO and our NETA Controller are both not feeling well tonight and we will be trying to get through the part of the meeting that involves them as quickly as possible. Julia Kennard received the data from Pacifica with which to prepare the November 2021 financials that we will be reviewing tonight just this morning. Also, this morning Julia tested positive for Covid. Nevertheless, Julia prepared the financials for this meeting and we thank her profoundly.

Tonight we will do a preliminary review of the November 2021 financials."

The new KPFK Treasurer Kim Kaufman introduced herself.

Minutes Approval 8:44 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the December 14, 2021, NFC meeting." (Passed without objection)

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

The interim Executive Director was not at the meeting.

Report from the interim CFO 8:45 PM (ET)

The interim CFO told that committee that she did not have a formal report but that the committee should consider her recommendation to make NETA Controller Julia Kennard the next interim CFO starting in January. She said that she was resigning as interim CFO and she was hoping to retire from NETA in about 18 months. She said that NETA has a succession plan. She said that Ms. Kennard would be the NFC's main contact with NETA. She said that other people from NETA who had been working with Pacifica would still be there and that as we move forward the quality of the work will be there. She said that her intention was to stay involved helping Ms. Kennard until February.

Motion: (James Sagurton) "The NFC recommends to the PNB that on the resignation of the interim CFO Anita Sims that the PNB replace her with Julia Kennard Controller of NETA as interim CFO consultant." (Passed without objection)

The Committee discussed the motion.

Preliminary Review of November 2021 financials 9:00 PM (ET)

The NETA Controller discussed with the committee how numbers would be presented. She suggested that she send a summary sheet that would show in a short, concise manner the totals contained in the full spreadsheets. The committee discussed the proposal and suggestions were made regarding how the financial information could be presented to the NFC.

The NETA Controller said that she wanted to get the message out to stations about what the priorities are for consistency and how they record things. She asked for help determining how she could communicate with stations. She said that she wanted to make standard accounting practices happen and let the General Managers and Business Managers know that certain things need to be done in the month. She said that getting some reports done on the 15th of the month is late. She said that she wanted to send out the NFC package a day or two in advance and to get all units on a schedule.

There was a discussion of unified budget templates and Chart of Accounts, which the NETA Controller said was very important. She said that with one station that's the least consistent with regard to a Chart of accounts she has to match them up and that's a day of work. She said that another issue is that they need to have a system where if people add accounts they tell NETA.

The committee discussed the November financials. (A copy of the NETA Controller's "Pacifica Foundation Financial Narrative for November 2021" is appended to these minutes.) The NETA Controller told the committee that she had spotted some errors in the spreadsheet and that she would send out a corrected one. She said that she wanted a centralized list of when all units' on-air fund raisers are. She said it would be nice if she got a narrative from all units. There was a discussion of formulas that would show how revenue from on-air fund raisers comes in over time. There was a discussion of some stations just sending NETA a pile of checks at the start of a month which requires that NETA create a financial statement from that pile of checks when they don't know what the checks are for. She said that sometimes she has to ask after the fact why a station is paying a business owner when the bill is from the business.

Motion: (Chris Cory) “To extend the time for this item by 10 minutes.” (Passed without objection) 9:59 PM (ET)

In the course of the discussion the NETA Controller was told that there’s a policy of the financials being sent to the General Managers and Business Managers when they’re sent to the NFC.

Call for the orders of the day: (James Sagurton) 10:13 PM (ET)

Motion: (Elizabeth von Gunten) “To extend the time for the meeting by 15 minutes.” (Passed without objection) 10:14 PM (ET)

There was further discussion of moving all stations closer to compliance with a comprehensive system that would help NETA create financial documents sooner.

Budget Timelines and schedule for NFC review of budgets for FY22 10:26 PM (ET)

Motion: (Chris Cory) “To meet on January 18, 2022, to discuss a budget to be determined.” (Passed without objection)

The Committee discussed the motion.

Adjourned 10:31 PM (ET)

Submitted by R. Paul Martin, Secretary.

APPENDIX

Pacifica Foundation Financial Narrative for November 2021

Financial Dashboard

Consolidated Report

Consolidated net operating gain or loss w/o depreciation: Net income YTD through November 30, 2021 is (\$196K) vs. (\$1K) net loss YTD as of last November showing an overall decrease in income of \$194K.

Total Revenue: Total revenue YTD through November 2021 is \$1.5M vs \$1.8M YTD November 2020, a decrease of \$253K or 14%.

Total Expenses: Total expenses YTD through November 2021 are \$1.7M vs. \$1.8M YTD November 2020, a decrease of \$58K or 3%.

KPFA

KPFA shows a loss for the period of \$74K compared to prior YTD loss of \$47K.

KPFK

KPFK shows a loss for the period of \$101K compared to a prior YTD loss of \$97K.

KPFT

KPFT shows a loss for the period of \$34K compared to a prior YTD loss of \$14K.

WBAI

WBAI shows a loss for the period of \$97K compared to a prior YTD loss of \$65K.

WPFW

WPFW shows income of \$57K for the period compared to prior YTD income of \$48K.

Profit & Loss Statement

Revenue

Total Revenue YTD through November 2021 is \$1.5M vs \$1.8M YTD November 2020, a decrease of \$253K or 14%.

Listener Support is below prior year at \$1.2M vs \$1.3M for November 2021, a decrease of \$104K.

Major Donor Revenue for YTD through November 2021 is \$84K vs. \$157K YTD November 2020, a decrease of \$73K.

Donations for YTD through November 2021 is \$20K vs. \$47K YTD November 2020, a decrease of \$27K.

Total revenue by unit:

KPFA shows a decrease of \$25K or 5% over FY21.

KPFK shows a decrease of \$195K or 39% over FY21.

KPFT shows a decrease of \$12K or 13% over FY21.

WBAI shows an increase of \$13K or 8% over FY21.

WPFW shows a decrease of \$7K or 2% over FY21.

PAN shows an increase of \$16K or 46% over FY21.

NO shows a decrease of \$20K or 39% over FY21.

PRA shows a decrease of \$22K or 30% over FY21.

Expenses

Total Expenses through November 2021 are \$1.87M vs. \$1.8M YTD November 2020, a decrease of \$58K or 3%.

KPFA shows an increase of \$2K or 0% over FY21.

KPFK shows a decrease of \$191K or 37% over FY21.

KPFT shows an increase of \$8K or 10% over FY21.

WBAI shows an increase of \$45K or 24% over FY21.

WPFW shows a decrease of \$16K or 7% over FY21.

PAN shows an increase of \$8K or 25% over FY21.

NO shows an increase of \$82K or 49% over FY21.

PRA shows an increase of \$4K or 7% over FY21.

Personnel expenses for the period of November are \$94K less than FY21 at \$996K.

KPFA shows an increase of \$23K or 6% over FY21.

KPFK shows a decrease of \$155K or 43% over FY21.

KPFT shows an increase of \$7K or 22% over FY21.

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

WPFW shows an increase of \$12K or 12% over FY21.

PAN shows a decrease of \$3K of 12% over FY21.

NO shows an increase of \$15K or 46% over FY21.

PRA shows an increase of \$558 or 1% over FY21.

Administrative expenses for YTD through November 2021 are \$440K vs \$413K YTD November 2020, a decrease of \$27K or 7%.

Programming expenses for YTD through November 2021 are \$172K vs \$133K YTD November 2020, an increase of \$39K or 30%.

Development expenses YTD through November 2021 are \$92K vs \$137K YTD November 2020, a decrease of \$45K or 33%.

Community/Special Events expenses YTD through November 2021 are \$3K vs \$3K November 2020, a decrease of \$179 or 5%.

Net Income/Loss w/o Depreciation overall YTD through November 31, 2021 is (\$196K) vs. (\$1K) net income YTD as of last November showing an overall decrease in income of \$194K

KPFA YTD through November 2021 is (\$74K) vs (\$47K) in 2020, a decrease of \$28K.

KPFK YTD through November 2021 is (\$101K) vs (\$97K) in 2020, a decrease of \$4K.

KPFT YTD through November 2021 is (\$34K) vs (\$14K) in 2020, a decrease of \$20K.

WBAI YTD through November 2021 is (\$97K) vs (\$65K) in 2020, a decrease of \$32K.

WPFW YTD through November 2021 is \$57K vs \$48K in 2020, an increase of \$9K.

PAN YTD through November 2021 is \$7K vs. \$37K in 2020, a decrease of \$30K.

NO YTD through November 2021 is \$14K vs \$119K in 2020, a decrease of \$105K.

PRA YTD through November 2021 is \$33K vs \$59K in 2020, a decrease of \$26K.