

Minutes for the regular National Finance Committee meeting August 23, 2022.

Meeting convened at 8:44 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Elizabeth von Gunten, Kim Kaufman, Julia Kennard (CFO), R. Paul Martin (Secretary), Sean Kelly McPherson, James Sagurton (Chair), Susan Young.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt Agenda
4. Chair's Announcements (2 minutes)
5. Minutes (3 minutes)
6. Report from Executive Director (If available, 20 minutes)
7. Report from the CFO (20 minutes)
8. Review of the July 2022 Financials (45 minutes)
9. Budget Timelines and schedule for NFC review of budgets for FY22 and FY23 (5 minutes)
10. Adjourn to Executive Session

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

Chair's Announcements 8:51 PM (ET)

"The FY21 Audit and tax returns were completed and filed as of 08/15/2022. The Audit was a 'clean' or unqualified audit for the first time in many years. The Pacifica National Board's Audit Committee reviewed it at their meeting last week.

Non disclosure Agreements and Consent to Use Electronic Transmission Forms have been approved and are available to NFC non director members. Please review and return them to the Chair as soon as possible.

We will go into Executive Session after the Open Session to discuss replacing NETA. This will involve personnel and contractual issues"

Minutes 8:52 PM (ET)

There were no draft minutes available.

Report from Executive Director 8:52 PM (ET)

The Executive Director was not present.

Motion: (Kim Kaufman) “That the committee take up this item when the Executive Director shows up.” (Passed without objection)

Report from the CFO 8:52 PM (ET)

The CFO told the committee that the National Office had about \$30,000 cash on hand, adjusted for payroll and things that have to be paid. She said that the National Office’s Accounts Payable was over \$200,000 now. She said that the National Office would help with health insurance payments for Pacifica Radio Archive (PRA). She said that PRA had voiced concern about making payroll in September. She said that KPFK had funded their health insurance premiums that day, and they are in an on-air fund raiser and have a tally of about \$92,000 and have received about \$18,000 of that so they would be able to fund payroll by August 25, depending on how the rest of the on-air fund raiser goes. She said that she thought that they’d raise in excess of payroll by then, but they will need to continue fund raising. She said that their Accounts Payable was about \$180,000, half of which was utilities payments. She said that the utilities were paid for August. She said that the KPFT on-air fund raiser raised over \$53,000 and had collected about \$32,000. She said that they had a Summer on-air fund raiser and in June and July they raised about \$35,000 but only about \$16,000 was collected. She said that WPFW had about \$40,000 in the bank and about \$33,000 of that will be needed for payroll and health insurance. She said that they have about \$55,000 in Accounts Payable for August due by the end of the month. She said that a consultant was working with them on an off-air campaign. She said that they’re working with previous donors to do that fund raising. She said that September would be challenging unless we see some movement in that fund raiser. She said that WBAI had funded payroll that day and had funded health insurance premiums, and they have about \$1,300 after that. She said that she had not checked their Accounts Payable but it’s a good amount. She said she hadn’t spoken to Staff at KPFA, but generally they’re fine funding their payroll.

The committee discussed the report. In answer to a question the Director from KPFT said that with regard to doing live on-air fund raisers they were not able to start work on the new building right away. They needed approval and sought bids from contractors, and it was slow getting those back, but the contractor has been selected. More will be in a week. She said that they hoped to be live on air in mid-September, or maybe by October 1, and she’d E-mailed the PNB about it.

In answer to a question the CFO said that the network-wide on-air fund raiser for PRA had raised about \$32,000 and that it had been to pay payroll at PRA for a month and a half. She said that PRA’s payroll is about \$20,000 a month and the month and a half funded by the on-air fund raiser was up. The committee discussed PRA getting a new premium to increase their revenue. The CFO said that PRA had no money to make new premiums. She said she’d find out the next day about the actual status of cash at PRA.

Motion: (James Sagurton) “To extend the time for this item by five minutes.” (Passed without objection) 9:13 PM (ET)

The committee discussed WPFW's plan to change their mode of fund raising.

Review of the July 2022 Financials 9:24 PM (ET)

The CFO said that she'd reviewed the Summary tab of the Monthly Income Statement For the Ten Months Ending Sunday, July 31, 2022.

	Net Gain (Loss)	
	July 2022	YTD
Consolidated	(190,434)	(1,121,554)
KPFA	(28,768)	(59,174)
KPFK	(63,174)	(525,921)
KPFT	(23,145)	(141,539)
WBAI	(33,228)	(297,751)
WPFW	(85,513)	41,064
NATIONAL OFFICE	15,571	(221,889)
PRA	27,822	83,651

The CFO reported the following from the Income Statement: Percent increase/decrease not calculated due to FY21 audit adjustments pending entry.

The FY21 audit and tax returns were completed and filed as of August 15, 2022.

KPFA revenue for FY22 to date is mostly accruals being addressed by station Staff.

Cash is at varying degrees of insufficient level for KPFK, KPFT, PRA, WBAI and WPFW.

WBAI, WPFW, and the Pacifica Affiliates Network (PAN) are mostly cashed based entries due to expenses being paid directly by the units outside of *Great Plains*. PAN is currently in line to set up their own unit in Great Plains to avoid this. WBAI and WPFW need to buy into utilizing Great Plains and receive necessary training.

System Administrator access to Great Plains is still unavailable. Engineering staff are attempting to recover access. This is necessary to create a separate unit for PAN and to create/generate consolidated balance sheets and to update user access for related users.

Planning for the transfer of files from NETA to the National Office servers has begun and actual transfers will begin prior to the end of September.

Pacifica Staff has been through one round of training for payroll processing with NETA staff. Second round will occur the last week of August.

The CFO said that only KPFA, WPFW and PAN are paying their Central Services fees.

The CFO said that KPFA's issue with their property tax had been resolved, and this resulted in an expense of over \$400,000 being taken off the books. She said that otherwise the loss for FY21 would have been about \$500,000. She said that the number of struggling units has grown to five now. She said that there could be expenses that are not on the books. She noted that the YTD Consolidated loss was about \$1.1 million. She said that she hoped she could get a buy-in for WBAI and WPFW to use *Great Plains* software to at least enter payables. She said that PAN wants to use *Great Plains* but they can't get it set up. She said that it looked like they'd have to hire an outside person to do it. She said that they had started to transfer files from NETA to the National Office servers. She said she'd gotten good detailed information about how that would work. She said that then the new interim Business Manager would be training for handling payroll. She noted that legal fees are killing us with about \$48,000 in July alone. She said that legal fees don't look to be reducing soon. She noted that KPFA showed a loss in July and April which puts them in a YTD loss. She said that KPFA may not be in a position to assist other units. The CFO said that we were fortunate this past month that the National Office assisted KPFA for payroll and that KPFA was able to pay the National Office back last week. She said that if they didn't have an on-air fund raiser we'd be having a completely different conversation because the National Office would have \$0 left now, not \$30,000. She asked what are we going to do when there's no one to tap into for help with payroll?

The committee discussed stations using, and having to fund, premiums for on-air fund raisers. The CFO noted that while WBAI and KPFT are showing an increase in listeners that's not being reflected in an increase in revenue from on-air fund raisers. There was a discussion of how to get stations to use the *Great Plains* software if there's no one at that station who will do it. The CFO said that the National Office's interim Business Manager could input the data and all they'd need would be access to all of the invoices.

Budget Timelines and schedule for NFC review of budgets for FY22 and FY23 10:02 PM (ET)

The stations reported that they were in various stages of working on their draft FY23 budget proposals. Some said they'd be ready for LSB approval in September and others were looking to bring them to their LSBS later.

Motion: (Kim Kaufman) "To schedule open and closed session meetings for next Tuesday."
(Passed without objection)

The Committee discussed the motion.

Adjourned to Executive Session 10:12 PM (ET)
Submitted by R. Paul Martin, Secretary.