

Minutes for the regular National Finance Committee meeting February 9, 2021.

Meeting convened at 8:34 PM (ET) a quorum being present, the Chair and Secretary being present.

Attending: Sharon Adams, Teresa J. Allen, Fred Blair, Chris Cory, DeWayne Lark, R. Paul Martin (Secretary), James Sagurton (Chair), Anita Sims (interim CFO), Nancy Sorden.

Agenda:

1. Convene meeting 8:30 PM (ET)
2. Roll Call
3. Adopt agenda
4. Chair's announcements (1 minute)
5. Minutes Approval (2 minutes)
6. Interim CFO Report (30 minutes Report and Q&A)
7. Review of November and December 2020 Financials interim CFO Anita Sims 45 minutes Report and Q&A
8. Reports from stations on Budget Timeline progress (KPFT, KPFK) (2 minutes)
9. Unfinished Business: Motion for a moratorium on Central Services from KPFT
10. New Business
11. Adjourn no later than 10:15 PM (ET)

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

Chair's announcements 8:37 PM (ET)

"The PPP money has arrived and \$1.2 million was deposited in our account today.

We will review the November and December Financials tonight. We fell behind on these while reviewing budgets.

At our next meeting we will review the KPFA Budget or the National Office Budget."

The KPFA Treasurer informed the committee that she would not be able to make the next NFC meeting. The Chair agreed that we would review the National Office draft FY21 budget at the next meeting.

Minutes Approval 8:39 PM (ET)

Motion: (R. Paul Martin) "To approve the minutes of the January 26, 2021, meeting." (Passed without objection)

Interim CFO Report 8:40 PM (ET)

The interim CFO told the committee that tremendous progress has been made on the audit. She said that this week the FY19 audit would be with the auditors. She said that they are already running trial balances for stations. She said that they want to start on the FY20 audit right away. She said that they have

worked some weekends and added people to get the audit done. She said that the Paycheck Protection Program (PPP) loan will process and pay for payroll for February and March and for benefits for March and April.

In answer to a question regarding any delays in getting information from the stations the interim CFO said that there's always a delay. She said that NETA had sent out a notice asking if the stations had keyed in everything because they need to close and it generally takes a week or two before they can close the month. She said that as the process moves forward she thinks they'll get better with the timing. Wants to reach out to each of the units and have calls weekly and have a general discussion. She said that her goal was to have documents ready by the 15th of the following month.

In answer to a question the interim CFO said that the auditors were aware of the deadlines that Pacifica has, and NETA will stay on top of the progress of the FY19 audit with the auditors. She said that she'd update the committee on the FY19 audit progress at the next meeting.

There was a discussion of the money being used to effectuate Staff reductions at KPFK being listed under payroll. The interim CFO said that she could add another line or make a separate record of it. She agreed that payroll expenses at KPFK would probably start going down in March.

In answer to a question of whether the PPP loan money could also be used for paying rents the interim CFO said that she didn't have that information and that maybe it was a question for the interim Executive Director. The interim CFO said that they would let stations know when the PPP loan will be used to pick up payroll.

In answer to a question the interim CFO said that she did not know if this audit would be as qualified by the auditors as the last one was. She said she's hoping that it goes fairly quickly.

Review of November and December 2020 Financials interim CFO Anita Sims 9:00 PM (ET)

The interim CFO read from her "Pacifica Foundation Financial Narrative for November 2020" which she had sent to the committee. The interim CFO's narrative for November 2020, is included in the appendix to these minutes. She noted that Total Expenses are down by about \$229,000 YTD for November.

There was a discussion about the bequests received in the previous fiscal year making the FY21 YTD revenue show up as a loss.

There was a discussion of how WBAI's finances were calculated for October 2019.

The interim CFO read from her "Pacifica Foundation Financial Narrative for December 2020" which she had sent to the committee. The interim CFO's narrative for December 2020, is included in the appendix to these minutes. The interim CFO said that December looked like an improvement over November. She noted, however, that January would be a telling month.

There was a discussion of whether some other revenue, such as a bequest, had been included under Listener Support.

The interim CFO said that since the first PPP loan has been forgiven it will show up as revenue in the

January statements and that total revenue for FY20 will reflect that.

Reports from stations on Budget Timeline progress 10:08 PM (ET)

The Chair asked the interim CFO to stay for this portion of the meeting, and she did.

Motion: (Chris Cory) “To extend the time for the meeting by 10 minutes.” (Passed without objection)

The KPFT Treasurer raised her concern that there was nothing in the KPFT FY21 draft budget about repairs to the KPFT building.

The KPFK Treasurer said that the KPFK local Finance Committee had asked the LSB to reject KPFK’s draft FY21 budget in November, which the LSB did. He said that there had been no motion on that draft budget, and there had been no changes to it, since then. He said that they have not been able to get KPFK Management to make a projection of on-air fund raiser revenue.

Unfinished business 10:19 PM (ET)

Motion for a moratorium on Central Services from KPFT.

Motion: (DeWayne Lark) “To remove the item from the agenda.” (Passed without objection)

New business 10:22 PM (ET)

Call for the orders of the day: (R. Paul Martin) 10:22 PM (ET)

Adjourned 10:22 PM (ET)

Submitted by R. Paul Martin, Secretary.

Appendices

Pacifica Foundation Financial Narrative for November 2020

Financial Dashboard

Consolidated Report

Consolidated net operating gain or loss without depreciation: Net income YTD through November 30, 2020 is (\$82K) vs. \$27K net income YTD as of last November showing an overall decrease in income of \$108K.

Total Revenue: Total revenue YTD through November 2020 is \$1.7M vs \$2M YTD November 2019, a decrease of \$337K or 17%.

Total Expenses: Total expenses YTD through November 2020 are \$1.8M vs. \$2M YTD November 2019, a decrease of \$229K or 11%.

KPFA

KPFA shows a loss for the period of \$84K compared to a prior YTD loss of \$24K. This is due to an 18% decrease in income.

KPFK

KPFK shows a loss for the period of \$84K compared to a prior YTD gain of \$88K. This is due to a 28% decrease in income.

KPFT

KPFT shows a loss for the period of \$27K compared to a prior YTD gain of \$39K. This is due to a 47% drop in income.

WBAI

WBAI shows a loss for the period of \$67K compared to a prior YTD loss of \$71K. Revenue has increased 2%.

WPFW

WPFW shows net gain of \$28K for the period compared to prior YTD gain of \$36K.

Profit & Loss Statement

Revenue

Total Revenue YTD through November 2020 is \$1.7M vs \$2M YTD November 2019, a decrease of \$337K or 17%.

Listener Support is a little above prior year at \$1.427M vs \$1.418M for November 2019, an increase of \$9K.

Major Donor Revenue for YTD through November 2020 is \$45K vs. \$86K YTD November 2019, a decrease of \$41K.

Donations for YTD through November 2020 is \$4K vs. \$308K YTD November 2019, a decrease of \$303K.

Total revenue by unit:

KPFA shows a decrease of \$105K or 18% over FY20.

KPFK shows a decrease of \$198K or 28% over FY20.

KPFT shows a decrease of \$81K or 47% over FY20.

WBAI shows an increase of \$2.5K or 2% over FY20.

WPFW shows an increase of \$31K or 11% over FY20.

NO shows a decrease of \$73K or 70% over FY20.

PRA shows an increase of \$52K or 227% over FY20.

Expenses

Total Expenses through November 2020 are \$1.8M vs. \$2M YTD November 2019, a decrease of \$229K or 11%.

KPFA shows a decrease of \$46K or 9% over FY20.

KPFK shows a decrease of \$25K or 5% over FY20.

KPFT shows a decrease of \$16K or 15% over FY20.

WBAI shows a decrease of \$2K or 1% over FY20.

WPFW shows an increase of \$40K or 18% over FY20.

NO shows a decrease of \$215K or 56% over FY20.

PRA shows no change over FY20.

Personnel expenses for the period October – November are in line with FY20 at \$1.1M.

KPFA shows an increase of \$22K or 6% over FY20.

KPFK shows an increase of \$15K or 4% over FY20.

KPFT shows an increase of \$2K or 4% over FY20.

WBAI shows no change over FY20.

WPFW shows a decrease of \$5K or 4% over FY20.

NO shows a decrease of \$49K or 60% over FY20.

PRA shows no change over FY20.

Administrative expenses for YTD through November 2020 are \$424K vs \$538K YTD November 2019, a decrease of \$114K or 21%.

Programming expenses for YTD through November 2020 are \$105K vs \$159K YTD November 2019, a decrease of \$54K or 34%.

Development expenses YTD through November 2020 are \$130K vs \$192K YTD November 2019, a decrease of \$62K or 32%.

Community/Special Events expenses YTD through November 2020 are \$3K vs \$14K November 2019, a decrease of \$11K or 76%.

Net Income/Loss without Depreciation overall YTD through November 30, 2020 is (\$82K) vs. \$26K net gain YTD as of last November showing an overall decrease in income of \$108K.

KPFA YTD through November 2020 is (\$84K) vs (\$24K) in 2019, a decrease of \$60K.

KPFK YTD through November 2020 is (\$84K) vs \$88K in 2019, a decrease of \$172K.

KPFT YTD through November 2020 is (\$27K) vs \$39 in 2019, a decrease of \$65K.

WBAI YTD through November 2020 is (\$67K) vs (\$71K) in 2019, an increase of \$4K.

WPFW YTD through November 2020 is \$28K vs \$36K in 2019, a decrease of \$8K.

NO YTD through November 2020 is \$98K vs (\$48K) in 2019, an increase of \$146K.

PRA YTD through November 2020 is \$58K vs \$6K in 2019, an increase of \$51K.

Pacifica Foundation Financial Narrative for December 2020

Financial Dashboard

Consolidated Report

Consolidated net operating gain or loss without depreciation: Net income YTD through December 31, 2020 is \$179K vs. \$289K net income YTD as of last December showing an overall decrease in income of \$110K.

Total Revenue: Total revenue YTD through December 2020 is \$3M vs \$3.26M YTD December 2019, a decrease of \$303K or 9%.

Total Expenses: Total expenses YTD through December 2020 are \$2.8M vs. \$3M YTD December 2019, a decrease of \$192K or 6%.

KPFA

KPFA shows income for the period of \$158K compared to prior YTD income of \$127K.

KPFK

KPFK shows a loss for the period of \$80K compared to a prior YTD gain of \$78K. This is due to a 17% decrease in income.

KPFT

KPFT shows a loss for the period of \$17K compared to a prior YTD gain of \$13K. This is due to a 28% drop in income.

WBAI

WBAI shows a loss for the period of \$94K compared to a prior YTD loss of \$16K. This is due to a 17% drop in income.

WPFW

WPFW shows net gain of \$37K for the period compared to prior YTD gain of \$55K.

Profit & Loss Statement

Revenue

Total Revenue YTD through December 2020 is \$3M vs \$3.26M YTD December 2019, a decrease of \$303K or 9%.

Listener Support is above prior year at \$2.45M vs \$2.3M for December 2019, an increase of \$133K.

Major Donor Revenue for YTD through December 2020 is \$72K vs. \$130K YTD December 2019, a decrease of \$58K.

Donations for YTD through December 2020 is \$27K vs. \$427K YTD December 2019, a decrease of \$400K.

Total revenue by unit:

KPFA shows an increase of \$6K or 1% over FY20.

KPFK shows a decrease of \$172K or 17% over FY20.

KPFT shows a decrease of \$60K or 28% over FY20.

WBAI shows a decrease of \$56K or 17% over FY20.

WPFW shows an increase of \$19K or 4% over FY20.

NO shows a decrease of \$102K or 62% over FY20.

PRA shows an increase of \$9K or 12% over FY20.

Expenses

Total Expenses through December 2020 are \$2.8M vs. \$3M YTD December 2019, a decrease of \$192K or 6%.

KPFA shows a decrease of \$25K or 3% over FY20.

KPFK shows a decrease of \$14K or 2% over FY20.

KPFT shows a decrease of \$31K or 19% over FY20.

WBAI shows an increase of \$21K or 7% over FY20.

WPFW shows an increase of \$37K or 11% over FY20.

NO shows a decrease of \$178K or 33% over FY20.

PRA shows no change over FY20.

Personnel expenses for the period October – December are \$49K more than FY20 at \$1.7M.

KPFA shows an increase of \$54K or 10% over FY20.

KPFK shows an increase of \$22K or 4% over FY20.

KPFT shows a decrease of \$6K or 9% over FY20.

WBAI shows a decrease of \$3K or 2% over FY20.

WPFW shows a decrease of \$3K or 2% over FY20.

NO shows a decrease of \$16K or 15% over FY20.

PRA shows no change over FY20.

Administrative expenses for YTD through December 2020 are \$682K vs \$776K YTD December 2019, a decrease of \$94K or 12%.

Programming expenses for YTD through December 2020 are \$183K vs \$243K YTD December 2019, a decrease of \$60K or 25%.

Development expenses YTD through December 2020 are \$201K vs \$267K YTD December 2019, a decrease of \$65K or 25%.

Community/Special Events expenses YTD through December 2020 are \$4K vs \$24K December 2019, a decrease of \$20K or 83%.

Net Income/Loss without Depreciation overall YTD through December 31, 2020 is \$179K vs. \$289K net gain YTD as of last December showing an overall decrease in income of \$110K.

KPFA YTD through December 2020 is \$158K vs \$127K in 2019, an increase of \$31K.

KPDK YTD through December 2020 is (\$80K) vs \$78K in 2019, a decrease of \$158K.

KPFT YTD through December 2020 is (\$17K) vs \$13 in 2019, a decrease of \$30K.

WBAI YTD through December 2020 is (\$94K) vs (\$16K) in 2019, a decrease of \$78K.

WPFW YTD through December 2020 is \$37K vs \$55K in 2019, a decrease of \$18K.

NO YTD through December 2020 is \$67K vs (\$18K) in 2019, an increase of \$85K.

PRA YTD through December 2020 is \$62K vs \$50K in 2019, an decrease of \$11K.