

Minutes for the regular National Finance Committee meeting July 13, 2021.

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

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Attending: Sharon Adams, Teresa J. Allen, Nick Arena, Fred Blair, Chris Cory, Lynden Foley, Elizabeth von Gunten, R. Paul Martin (Secretary), James Sagurton (Chair), Anita Sims (interim CFO).  
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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. Review of corrected KPFT Draft Budget, Previously noticed motion to rescind (1 minutes)
7. INTERIM CFO Report Anita Sims Review March, April, May 2021, Financials
8. Discussion of request for documents (5 minutes)
9. New Business
10. Adjourn no later than 10:15 PM (ET)

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

The Committee discussed the motion.

**Amendment:** (Teresa J. Allen) "To add after interim CFO Report, 'Discussion of request for documents (5 minutes)'" (Passed without objection)

Chair's Announcements 8:47 PM (ET)

The Chair did not have any announcements.

Minutes Approval 8:47 PM (ET)

**Motion:** (R. Paul Martin) "To approve the minutes of the June 8, 2021, meeting." (Passed without objection)

Review of corrected KPFT Draft Budget, Previously noticed motion to rescind 8:49 PM (ET)

The Chair said that he hadn't done it at the last PNB meeting, and that Directors could review it if they wanted to.

Interim CFO Report Anita Sims Review March, April, May 2021 Financials 8:50 PM (ET)

The interim CFO told the committee that the narrative she'd sent was the only new thing among the files she'd previously sent to the committee. The interim CFO read the document titled "Pacifica Foundation Financial Narrative for May 2021" to the committee. A copy of this document is appended to these

minutes. She said that the NETA Staff were working on the June financials and that they should have them fairly soon.

The committee discussed the interim CFO's report. In answer to a question the interim CFO said that forgiveness of the second Paycheck Protection Plan (PPP) loan was probably a matter of a couple of weeks. She said that NETA has gotten notice that the Small Business Administration (SBA) was changing the paperwork and expediting the process. She said that they'd done some internal things at SBA to make it go faster. She said that Pacifica's application to have the PPP loan forgiven was submitted and that she thought that there was a SBA bottleneck. She said that NETA had gotten a recent E-mail from the SBA saying that the loan forgiveness was in-process. She said that other NETA clients were in the same situation.

In answer to a question the interim CFO said that KPFA's increase in Net Income for the period of about \$240,000 was partly from increased Listener Support and also from the PPP revenue of about \$343,000.

In the course of discussions it was established that the Programming Expenses for KPFT for March and April were not for upgrades to the building that was going to be sold but were for computers, software and the replacement of parts of the transmitter.

In answer to a question the interim CFO said that the Management at 4 Times Square where the WBAI transmitter and antenna are located had not yet given the line of credit back.

In answer to a question the interim CFO said that some bequests would be shown in the June and July financials.

A member noted that without the PPP funds Pacifica's condition has deteriorated YOY. He said that there was deterioration at three of the five stations, but that KPFA and WPFW were doing a little better. He asked how the interim CFO thought things would go moving forward. The interim CFO said that she'd send her analysis.

In answer to a question about the FY20 audit the interim CFO said that on June 30, she had sent the FY20 audit to the same individual attorney she'd sent the FY19 audit to as per the interim Executive Director's instructions. During discussion of these details it turned out that the attorney to whom the FY19 and FY20 audits had been sent is not in fact an employee in the California Attorney General's office. He works for an organization called Attorneys for Non-profits. He had sent the FY19 audit on to the Attorney General's Office. The interim CFO said that June 30, was not in fact the California Attorney General's deadline for Pacifica's audit. She said that Pacifica had filed for an extension in February and that for the 990s and the audit the deadline was actually August 16. There was a discussion of the way the June 30, deadline for audits had been viewed in the past. The interim CFO said that while the FY20 audit is completed, NETA wants to see about restating it to show lower pension expenses, which should have a good effect on Pacifica's bottom line in the audit. The Chair said that the Audit Committee Chair had sent out a notice that the FY20 audit had been sent to California Attorney General's Office. There was more discussion on this topic, the Chair said he'd ask about it at the next PNB meeting.

There was a discussion regarding the Corporation for Public Broadcasting (CPB) which does have a June 30, deadline for the audit to be done. The committee was told that since Pacifica's membership in the CPB had been terminated, Pacifica has to re-apply as a new entity attempting to join. The committee

was told that the deadline for applying to join the CPB had been May 19, 2021, and that Pacifica would have to wait until next May to apply for CPB membership. The Chair said that after Pacifica applies for CPB membership next year we will have to show a full year of near perfect performance and an increase in listenership to then receive grant money from the CPB. The interim CFO said that she has attempted twice to call a senior Vice-President she knows at CPB in order to start the conversation of where do we start, and she wants to tell them that we're now current with our audits. She said that she wants to know the process from beginning to end.

Discussion of request for documents 9:41 PM (ET)

A member expressed a desire to see some financial documents that have been discussed in Pacifica.

**Motion:** (Teresa J. Allen) "That we immediately ask the interim Executive Director to provide to the NFC a copy of the brokerage contract to sell the KPFT property." (Passed without objection).

The committee discussed the motion.

**Motion:** (Teresa J. Allen) "To extend the time for this item by 10 minutes." (Passed without objection)  
10:06 PM (ET)

The committee continued to discuss the motion.

**Motion:** (Teresa J. Allen) "That we immediately ask the interim Executive Director to provide to the NFC a copy of the current contract for the FJC loan and any and all amendments and extensions to it." (Passed without objection)

The committee discussed the motion.

New Business

No new business was brought up.

Adjourned 10:13 PM (ET)

Submitted by R. Paul Martin, Secretary.

## **Appendix**

### **Pacifica Foundation Financial Narrative for May 2021**

#### **Financial Dashboard**

#### **Consolidated Report**

Consolidated net operating gain or loss w/o depreciation: Net income YTD through May 31, 2021 is \$1M vs. (\$84K) net income YTD as of last May showing an overall increase in income of \$1.1M. This is due to recognition of the first PPP loan of \$1.2M that was forgiven in full.

Total Revenue: Total revenue YTD through May 2021 is \$8.5M vs \$7.8M YTD May 2020, an increase of \$757K or 10%.

Total Expenses: Total expenses YTD through May 2021 are \$7.5M vs. \$7.8M YTD May 2020, a decrease of \$348K or 4%.

#### **KPFA**

KPFA shows income for the period of \$457K compared to prior YTD income of \$217K. (PPP \$343K)

#### **KPFK**

KPFK shows a loss for the period of \$1.5K compared to a prior YTD loss of \$350K. (PPP \$322K)

#### **KPFT**

KPFT shows a loss for the period of \$63K compared to a prior YTD loss of \$25K. (PPP \$35K)

#### **WBAI**

WBAI shows a loss for the period of \$143K compared to a prior YTD loss of \$144K. (PPP \$94K)

#### **WPFW**

WPFW shows income of \$222K for the period compared to prior YTD loss of \$58K. (PPP \$111K)

### **Profit & Loss Statement**

#### **Revenue**

**Total Revenue** YTD through May 2021 is \$8.5M vs \$7.8M YTD May 2020, an increase of \$757K or 10%. (PPP \$1.2M)

**Listener Support** is above prior year at \$6M vs \$5.7M for May 2021, an increase of \$315K.

**Major Donor Revenue** for YTD through May 2021 is \$220K vs. \$404K YTD May 2020, a decrease of \$184K.

**Donations** for YTD through May 2021 is \$92K vs. \$760K YTD May 2020, a decrease of \$668K.

#### **Total revenue by unit:**

KPFA shows an increase of \$258K or 10% over FY20. (PPP \$365K)

KPFK shows an increase of \$162K or 8% over FY20. (PPP \$322K)

KPFT shows a decrease of \$77K or 15% over FY20. (PPP \$35K)

WBAI shows a decrease of \$7K or 1% over FY20. (PPP \$94K)

WPFW shows an increase of \$222K or 21% over FY20. (PPP \$111K)

NO shows an increase of \$22K or 5% over FY20. (PPP \$282K)

PRA shows an increase of \$43K or 37% over FY20. (PPP \$47K)

#### **Expenses**

**Total Expenses** through May 2021 are \$7.5M vs. \$7.8M YTD May 2020, a decrease of \$348K or 4%.

KPFA shows an increase of \$18K or 1% over FY20.

KPFF shows a decrease of \$189K or 9% over FY20.

KPFT shows a decrease of \$39K or 9% over FY20.

WBAI shows a decrease of \$8K or 1% over FY20.

WPFW shows an increase of \$57K or 7% over FY20.

NO shows a decrease of \$328K or 25% over FY20.

PRA shows no change over FY20.

**Personnel** expenses for the period October – May are \$195K less than FY20 at \$4.2M.

KPFA shows an increase of \$86K or 6% over FY20.

KPFF shows a decrease of \$180K or 13% over FY20.

KPFT shows a decrease of \$29K or 16% over FY20.

WBAI shows a decrease of \$30K or 7% over FY20.

WPFW shows a decrease of \$36K or 8% over FY20.

NO shows a decrease of \$114K or 45% over FY20.

PRA shows no change over FY20.

**Administrative** expenses for YTD through May 2021 are \$1.9M vs \$2M YTD May 2020, a decrease of \$120K or 6%.

**Programming** expenses for YTD through May 2021 are \$610K vs \$572K YTD May 2020, an increase of \$38K or 7%.

**Development** expenses YTD through May 2021 are \$654K vs \$669K YTD May 2020, a decrease of \$15K or 2%.

**Community/Special Events** expenses YTD through May 2021 are \$14K vs \$64K May 2020, a decrease of \$51K or 79%.

**Net Income/Loss w/o Depreciation** overall YTD through May 31, 2021 is \$1M vs. \$84K net loss YTD as of last May showing an overall increase in income of \$1.1M (PPP loan forgiveness \$1.2M).

KPFA YTD through May 2021 is \$457K vs \$217K in 2020, an increase of \$240K. (PPP \$365K)

KPFF YTD through May 2021 is \$1.5K vs (\$350K) in 2020, an increase of \$351K. (PPP \$322K)

KPFT YTD through May 2021 is (\$63K) vs (\$25K) in 2020, a decrease of \$38K. (PPP \$35K)

WBAI YTD through May 2021 is (\$143K) vs (\$144K) in 2020, an increase of \$724. (PPP \$94K)

WPFW YTD through May 2021 is \$222K vs \$58K in 2020, an increase of \$164K. (PPP \$111K)

NO YTD through May 2021 is \$487K vs \$118K in 2020, an increase of \$368K. (PPP \$282K)

PRA YTD through May 2021 is \$85K vs \$42K in 2020, an increase of \$43K. (PPP \$111K)