

WBAI Treasurer's Report  
March 13, 2024

The National Finance Committee (NFC) met on February 20, February 27, and March 12, 2024. The local Finance Committee met on February 21, 2024. All of those meetings were held by teleconference.

The February 20, 2024, NFC meeting was not called by the NFC. I got a notice of an NFC meeting set for that date and an investigation found that the KPFK Treasurer, who is now also the Recording Secretary of the PNB, had posted notice of such a meeting on KPFTX.ORG. She said that the PNB Chair had asked her to do it. I objected to a single person calling an NFC meeting when the meeting dates had always been determined by the committee members in the past, but this meeting went on anyway. The new Directors were seated at that meeting. Here is the current membership of the NFC:

<b>Treasurers</b>	<b>Directors</b>
Kamau Harris WPFW	Paul DeRienzo WBAI
Lynden Foley KPFT	Darlene Pagano KPFA
Christina Huggins KPFA	Myla Reson KPFK
Kim Kaufman KPFK	Minerva Sanders WPFW
R. Paul Martin WBAI	Susan Young KPFT

At the start of this meeting I objected to what seems to me to have been an improperly called meeting, but the Chair *pro tem*, Darlene Pagano, ruled it was all right and the meeting went on. I was elected Secretary *pro tem*. There were introductions

The Executive Director said she was hoping that the NFC would look at and review each budget on a monthly basis so we can project out what the expenses and revenue are and then we can make changes. She said that the goal was to work with the stations, Treasurers and the NFC to make adjustments.

The Executive Director said that with regard to loans the total in unpaid interest was about \$544,000 which includes an 18% late penalty for the past due principal that Pacifica owes on the FJC loan, but she said that FJC was willing to waive that fee and bring it down to the 3% that it originally had been so the late fees would reduce substantially. She said that Pacifica had about \$104,000 in past due interest on the Economic Injury Disaster Loan (EIDL) that. She said that she was working with the Small Business Administration to readjust the EIDL to reduce the liens on the Los Angeles property that has been sold. She said that the total payoff for the FJC loan was about \$2.5 Million and EIDL was a little over \$2 Million so the total loan payoff would be about \$4.6 Million. Pacifica will continue to try to just pay the interest on the loans.

The Executive Director said that Pacifica had about \$1.3 Million in Total Payables.

The Executive Director mentioned plans to look at Pacifica's programming and make it

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more consistent with what our community wants to hear rather than telling the community what they want to hear. She said there were plans regarding the training necessary to bring some of our programs up to date. She mentioned dealing with underwriting and getting together teams that will help us with that underwriting process and raise revenue that way. She said she was looking at program sharing among the stations and the affiliates.

The Executive Director said that a two week extension had been added to the close of escrow for the KPFK building, She said that it had been set to close on February 29, but as of the date of this NFC meeting it had been set for March 14.

I asked the Executive Director about how setting up an account at Bank of America to receive stock option donations was going. WBAI had an offer of a donation of \$25,000 in stock options from a listener late last year but it came when the big transition of most stations' accounts to Bank of America was going on. The Executive Director said that the paperwork for setting up that account was starting all over again because there's a new Secretary on the PNB and all of the paperwork that had been done in the past was null and void. She said that the new process had been started and she estimated that the signatures for that account would all be gotten within the week. I have no later information on this issue at this time.

The NFC discussed the latest consolidated financials which end with September 30, 2023.

Most of the February 27, 2024, NFC meeting was taken up with consideration of the KPFA draft FY24 budget. Much of KPFA's revenue comes from Major Donors who all together are projected to donate \$50,000 a month.

Elections were held for Chair and Secretary of the NFC. Darlene Pagano was elected Chair and I was re-elected Secretary.

At the February 21, 2024 local Finance Committee meeting there was a discussion of the requirement that all Pacifica units have their bank accounts in the Bank of America and the fact that some stations are not complying with that requirement. A Director on the call said that Pacifica's insurance would probably not be reinstated until mid-March. There was a discussion of Pacifica's current debit card policy. The General Manager said that it was not a wise decision to not have General Managers issued debit cards. He noted that a lot of vendors require them for payments. He said that if the National Office doesn't trust a General Manager they can have a card handled by the National Business Manager. He said that General Managers need to be able to use those cards to do things. He said that the only thing he had control over now was the PayPal account. There was a discussion of a cutoff notice from Verizon that could have shut down the lines used to connect WBAI's studios at 388 Atlantic Ave. with the transmitter at 4 Times Square because WBAI hadn't paid a bill that amounted to less than \$300. The General Manager noted that this was an example of a situation where he could have used a debit card.

The General Manager told the committee that the report that he'd given at the last local Finance Committee meeting was the most updated report that he has. He said that he hadn't really looked at the Bank of America statement. He said that he wasn't really using *QuickBooks* which he used to use to monitor every detail of WBAI's finances and that he was flying blind. He

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said that WBAI owes 4 Times Square almost \$100,000 and owes the call center between about \$80,000 to \$90,000 and owes two or three months rent at 388 Atlantic Ave. He said that we're making less money with on-air fund raisers. He said that there would be some people coming in to the station to call lapsed donors. He said that he'd predicted the problems that are happening with Bank of America. He said that bills used to be on auto-pay but now they were falling off. He said that he'd tried to get the PayPal account to send incoming revenue to the Bank of America account but that Bank of America wasn't allowing the transfer so he's using the PayPal money to pay for supplies, premiums and things like that. He said that he had finally gotten Amazon, which provides Web services for WBAI, on auto-pay. He said that there were a number of vendors that he was trying to get on auto-pay and some he just can't get to work with Bank of America. He said that if Verizon were to cut off WBAI at midnight he would have to use his own debit card to pay them and he was trying to avoid that. He suggested that we ask the National Office to come to the local Finance Committee to make reports, since he couldn't get the numbers anymore. I asked the General Manager if he was going to call the Executive Director or National Business Manager to see if the problem with Verizon could be fixed rapidly.

The General Manager said that he would be at the station, in the room where people were calling lapsed members, to make sure that no one takes away listener information. In answer to a question the General Manager said that he can see the Bank of America account but that he can't pay bills from it.

In answer to a question the General Manager said that the Community Advisory Board could do fund raising but he would have to be there to make sure that there were no shenanigans and to make sure that the fund raising activity was not a flop.

The General Manager had a discussion with a committee member about WBAI getting a not-for-profit status with Adobe, which WBAI subscribes to for audio editing software. It was also suggested that several stores in the New York City area would be willing to give WBAI discounts for merchandise. The General Manager said that he could look into that.

The General Manager was asked if someone could give a dollar amount to cover the phone bill or any other bill for WBAI. The General Manager said that the person would have to fill out a W9 form and a request form with their account number and then Pacifica could attach the bill to the form and the person would have to register with the National Office. The General Manager said that for the Verizon bill he'd have to pay it and get reimbursed, which is not an ideal situation.

The General Manager said that WBAI needs a new phone system because the current one is 30 years old. **He said that the station needed about \$250,000 to pay 4 Times Square, the studio rent and the call center.**

The March 12, 2024, NFC meeting was not streamed. The person who does the streaming wasn't available, but we were advised that the meeting was being recorded and that the recording of the meeting would be posted to KPFTX.ORG.

There was some back and forth on the motions to approve the minutes of the previous three meetings. And a motion was passed requiring that the future minutes be greatly trimmed down to the strict letter of *Robert's Rules of Order, Newly Revised 12<sup>th</sup> Edition*.

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The NFC voted to continue to meet on the second and fourth Tuesday of every month at 8:30 PM (ET) through March 2025.

The NFC spent almost an hour discussing a new Chart of Accounts with the Executive Director. The Chart of Accounts is the list of categories of revenue and expenses used for recording transactions in Pacifica's General Ledger. In Pacifica the General Ledger revenue code 5000 indicates "Listener Support," the code 5011 indicates "Website Income" and the code 5651 indicates "Sponsorships Underwriting," while on the expense side the code 6000 indicates "Salaries," the code 6300 indicates "Consultant/Temps/Contractuals," the code 6560 indicates "Interest/Bank Charges," and so on. The Executive Director said that the current Pacifica Chart of Accounts has about 450 categories and she's proposing one that has only about 84 categories. Pacifica has had a number of different Charts of Accounts in the years I've been WBAI LSB Treasurer. A problem has been that when a new Chart of Accounts is mandated not all stations adapt to it and some continue using an older Chart of Accounts. This has made for confusion in the past. The Executive Director said that she was going to tell the General Managers and Business Managers at the stations that they have to use this new Chart of Accounts. We'll see how that works.

The NFC Chair found out at this meeting that none of the station LSB Treasurers plays a role in the bookkeeping of their respective stations.

A motion to hold all future NFC meetings via Zoom failed by a tie vote. This is good. In my opinion Zoom compromises privacy and security. Also, Zoom makes some money by gathering up information presented on its platform and selling it. A lot of confidential Pacifica information is discussed in executive sessions of the NFC, it would be good if it stayed confidential.

Passing budgets and getting the new Directors up to speed on the has taken up a lot of the NFC's time. I think that there will soon be attempts to change a lot of things. Some members of the NFC are part of the "New Day" group that tried to hijack the Pacifica Foundation some years ago. Some have made disparaging statements about WBAI in the past, and outside of official communications some NFC members have engaged in hostile attacks of a personal nature.

Pacifica's finances are not in good shape. The individual stations are either running deficits or are running *very* thin surpluses, the kind of surpluses that can disappear in a bad afternoon. We need to keep in mind that on October 7, 2019, people inimical to WBAI invaded the station. People who favored that incursion are on the NFC and the PNB these days. I am pessimistic about the future for WBAI and Pacifica.

The next NFC meeting is scheduled for Tuesday March 26, 2024, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, March 20, 2024, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin  
WBAI LSB Treasurer