

WBAI Treasurer's Report
January 8, 2020

This is a unique Treasurer's Report because for the first time in the almost seven years that these Treasurer's Reports have been posted there have not been any National Finance Committee (NFC) meetings or local Finance Committee meetings since the last LSB meeting.

A theme over the past number of years throughout Pacifica has been the difficulty of obtaining solid financial information from the stations and the National Office. Even the National Educational Telecommunications Association (NETA) which is now handling most of the financial accounting for Pacifica has had serious problems in getting information from stations. This means that the auditors have had problems being able to do the audits. Toward the end of 2019, NETA sent the NFC some financial documents, but even they have questionable figures in them. Being able to make financial plans for the future requires that decision makers in Pacifica have reliable financial information about the past and present. Without that information planning is seriously impaired. It appears that this is the current situation in Pacifica. It may be that this situation is getting better, I certainly hope that it is.

Pacifica is facing quarterly interest charges of about \$70,000 on the big loan. As noted in the September 11, 2019, Treasurer's Report the NFC passed the following **Motion:** (Chris Cory) "The NFC recommends that the quarterly interest payments starting with December 2019, be apportioned by station membership as of December 1, 2019, and revised annually according to changes in membership." (Passed 7 for, 2 against, 1 abstention) I have been informed by the NFC Chair that this motion has passed the PNB. As a result of this motion I believe that WBAI will be responsible for paying about \$12,600 a quarter once the stations take on the full burden of the interest payments. This amounts to about \$4,200 a month. How WBAI Management will make these quarterly interest payments when it's been struggling to pay Central Services fees for years is an open question.

In March 2021, the loan principal of over \$3 million will come due. The NFC has not been fully apprised of the details of the loan, but I have not heard of any plan to pay off the principal other than the suggestion to refinance it. The loan is secured by real estate owned by Pacifica. Without knowing the details of the loan agreement it is not possible to say exactly what might happen with this loan if we get much closer to the due date and still do not have a realistic plan to pay it off.

So these are just some of the big financial questions facing Pacifica and WBAI right now. In the past off-air fund raising has not produced the regular, six figure revenue that's needed to deal with the loan, or, with regard to WBAI even make day to day operations break even. Pacifica has been limping along lately on bequests, a significant amount of which have come from WBAI. These windfalls cannot be counted on to continue. The most important fund raising asset the Pacifica stations have is access to listeners via the air, and on-air fund raiser revenue has been faltering at all stations. Will it be possible to improve the on-air fund raising capacity of the stations, including WBAI, before some large crisis hits and entities external to Pacifica's Management and governance make the big decisions?

The next NFC meeting will be on January 14, 2020 and the next local Finance Committee meeting will be on January 15, 2020.

R. Paul Martin
WBAI LSB Treasurer