

WBAI Treasurer's Report  
November 10, 2021

The National Finance Committee (NFC) met on October 26, and November 9, 2021. Both of these meetings were held by teleconference.

At the October 12, 2021, NFC meeting we learned that the PNB's National Development Task Force that had been set up a couple of years ago had become active. They're looking at ways to raise money. They're looking at the feasibility of a private bond issue, the selling of non-fungible tokens and other fund raising ideas.

The interim CFO told the committee that she had an idea of the cash balances from every station. She said that overall Pacifica has a healthy balance, about \$751,000 for all of Pacifica. The cash balances of the National Office and stations were reported as:

Unit	Cash Balance
National Office	\$13,306.86
KPFA	\$437,056.36
KPFK	\$87,454.38
KPFT	\$42,404.00
WBAI	\$7,342.37
WPFW	\$163,693.89

The interim CFO said that outstanding vendor invoices for the National Office amounted to about \$305,000. She said the largest amount owed to a vendor was about \$138,500 owed to NETA, also the auditors Rogers & Co. was owed about \$40,000.

The interim CFO said that regarding the year-end closing we're a long way from getting it done because some stations don't have all of their information in, which she said was typical for this time of year. She said that she was communicating with those stations. I will note that WBAI sends its financial information to NETA very frequently, so NETA should already have the station's information.

The NFC has been discussing a common template for the budgets of all stations, which would make it easier to compare station budgets and actuals during the fiscal year. The need for a new, common Chart of Accounts was brought up. The interim CFO said that NETA could do a Chart of Accounts and they wouldn't charge Pacifica extra for it. The NFC passed the following **Motion:** (Julie Hewitt) "The NFC recommends that the PNB charge NETA with devising an updated Chart of Accounts based on Pacifica's old, and not followed, Chart of Accounts and design a budget template, with formulas embedded, that follows said updated chart of accounts." (Passed without objection).

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At the November 9, 2021, NFC meeting the Chair said that, “Preparations are ongoing for the FY21 Audit. **The outstanding balance on the FY20 audit has been paid** and the FY21 Audit can commence.” This is good news.

The interim Executive Director attended this NFC meeting. She said that regarding the Economic Injury Disaster Loan (EIDL) Pacifica got about \$150,000 last year. So this year when Pacifica applied for \$2 Million the Small Business Administration, which handles this loan, allowed Pacifica to get \$500,000 but took out \$150,000 so Pacifica only got \$350,000. The interim Executive Director said that Pacifica can apply for more and she plans to do so before the end of 2021. The interim Executive Director said that there was a discrepancy between the IRS transcript and what Pacifica sent, she said she thinks it was the result of amending the IRS 990 form. She mentioned that WBAI had made its own application for the first Paycheck Protection Program (PPP) loan in 2020, and that that had also impacted Pacifica’s EIDL application. She said that she has set up a system to put the EIDL money as well as other monies of that sort into accounts restricted by the PNB. She said that in order to use that money the interim Executive Director, PNB chair and interim CFO have to sign off on it and notify the PNB, unless the PNB has already voted to authorize using that money for something. She said that this system can keep things more easily segregated and everyone will be able to tell what the EIDL money is used for. She said that it’s already been used to reimburse KPFA and the Pacifica Affiliates Network for funds that had been borrowed from them. She said that it’s a 30 year loan and the interest rate is 2.75%.

The prospects of getting Corporation for Public Broadcasting (CPB) Community Service Grants again was discussed at this meeting. The interim Executive Director said that getting caught up with the audits will make Pacifica eligible for CPB Community Service Grants as far as she knew. She said that reimbursing the CPB for the old \$137,000 overpayment had been an important part of that. It was pointed out that Pacifica will be a new applicant for CPB membership, since Pacifica had had its CPB membership rescinded. Pacifica missed the deadline for applying for CPB membership in May of 2021. The interim Executive Director said that she’ll apply in 2022. She said that the CPB was using different metrics for measuring audience these days. She said that she expects that two or three Pacifica stations might qualify for Community Service Grants in terms of audience. She said that WPFW did well in the Nielsen ratings, and KPFA will be fine although it has gone down since Pacifica was last eligible. She said that she didn’t know how WBAI will fare today. She said that as a foundation we qualify and that there are a number of grants that can relieve us from things we’re spending money on. She noted that if some Pacifica stations end up not being eligible for Community Service Grants that doesn’t affect the eligibility of the other stations.

At this NFC meeting the NETA Controller Julia Kennard substituted for the interim CFO. She said that they have prepared the accounting through July for the FY21 audit. She said that we’re in a better position for this audit than we were for the FY20 audit. She said that she hoped that the September financials would be out soon. She said that KPFA is still getting their revenue numbers in, and that it always takes long time to get that in. She said that she didn’t know why the software KPFA uses makes that a challenge.

The PNB Chair was also at this NFC meeting. He said that regarding the prospect of

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going with the Rogers & Company auditors again, that usually Pacifica goes with the recommendation of the Audit Committee but that committee hasn't met in a while. He said Pacifica had gone through a successful audit process with the firm and would probably go with them again.

At this meeting the NFC saw a first draft of what might be a proposal for a new, common template for budgets in Pacifica. In my opinion it needs work.

The NFC continues to spend quite a bit of time on the financial issues at KPFK. That station has a new General Manager but they have also come off an on-air fund raiser that looks like it hasn't brought in enough revenue to keep them going for long.

The PPP revenue and the EIDL money is helping to keep Pacifica going, for now. A uniform Chart of Accounts will allow everyone to understand how all of the stations are handling their revenue and expenses. If we can get a uniform budget template for the FY22 budgets that would allow everyone to see how each station plans its finances. Without a uniform Chart of Accounts and a uniform budget template each station may have line items that are different from every other station, and that would not be good.

We're experiencing an interesting time in Pacifica. It's possible that by the middle of next year some stations will be making financial gains. Pacifica and some individual stations may be getting help from the CPB. The FJC loan may have a sizeable portion of its principal paid off. It's possible that the National Development Task Force will come up with plans to seriously increase Pacifica's revenue. But WBAI will be projecting a six figure deficit for FY22 and there's no guarantee that KPFK will be past its extreme financial crisis. If Pacifica does restore its CPB membership I doubt that Pacifica will see around \$1 Million from the Community Service Grants that used to be routine. We have to hope that all of the stations' programming generates more memberships.

The next regular NFC meeting is scheduled for Tuesday November 23, 2021, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, November 17, 2021, at 7:00 PM (ET). Both of these meetings will be held by teleconference.

R. Paul Martin  
WBAI LSB Treasurer