

WBAI Treasurer's Report
April 12, 2017

In the three weeks since the last Treasurer's Report neither the National Finance Committee (NFC) nor the local Finance Committee have met.

I have been informed that the PNB has finally elected Directors to the 2017, NFC. The new NFC convener is Alex Steinberg, and it looks like the NFC will resume meeting later this month. The local Finance Committee has a meeting set for tomorrow night, Thursday, April 13, 2017.

As was mentioned in the previous Treasurer's Report, the National Office Financial Planning and Analysis Manager had said that there were a lot of errors in the Profit & Loss Statement for the four months ending January 31, 2017. He said that they would be corrected in the next Profit & Loss Statement. Two days ago we received the Profit & Loss Statement for the five months ending February 28, 2017. The National Office Financial Planning and Analysis Manager said that there are fewer errors in this one. He says that the main error in this one is that the Empire State Building (ESB) rent for February is stated as being about \$48,000 lower than it actually was.

The latest Profit & Loss Statement shows all of Pacifica with a net revenue of \$276,934 and WBAI with a net deficit of \$147,703. When the additional \$48,000 ESB rent mentioned above is added this brings WBAI's net deficit as of February 28, 2017, to \$195,703. This deficit appears to be accounted for by a shortfall in the station's Total Revenue for the period in question.

If there are no other errors in the Profit & Loss Statement then WBAI reduced its total deficit by about \$6,000 during the month of February. The WBAI Winter 2017, on-air fund raiser ran from February 6, to March 12, 2017. The revenue from this on-air fund raiser will have helped February to look better than January had. There should be some significant revenue from that on-air fund raiser showing up in the Profit & Loss Statement through March 31, 2017.

I am hoping that the second quarter FY17 financial documents will be issued very soon, at which time we should be able to get a better idea of the state of WBAI's and Pacifica's finances.

I do see that in the latest Profit & Loss Statement the lumping of revenue into "Listener Support" appears to still be happening. It would be good if the revenue were accurately broken out into its various categories so that financial planning could be done more precisely.

I have been informed that Mr. Sam Agarwal has been rehired as CFO of Pacifica. Mr. Agarwal's presence at the National Office may help to make the financial documents issued by the National Office more accurate in the future.

In 2016, the NFC had recommended a number of FY17 budgets, including WBAI's, to the PNB. There is a distinct possibility that most of the FY17 budgets will have to be reassessed with an eye toward making them more realistic.

In his "Pacifica Financial Recovery and Stabilization Plan," which the interim Executive Director sent to the California Attorney General on March 30, 2017, there are high hopes for WBAI's future on-air fund raisers to do as well as the recently concluded one did. It should be noted that a number of premiums did very well in that on-air fund raiser, and they boosted the

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revenue over that of the previous couple of year's on-air fund raisers. There is no guarantee that a set of similarly high performance premiums will be found for the next on-air fund raiser, or the one after that. It is also worth mentioning that some of the highest performing premiums were produced by one long time WBAI producer, to whom the "Programming Manager" (a consultant position invented by the General Manager) gave, "A special shout out," because that producer had, "contributed greatly to our fund raising success," in that on-air fund raiser. I see that immediately after the on-air fund raiser ended that producer was no longer to be found on the station's schedule. The WBAI Spring on-air fund raiser will begin next month.

Under "Contingency Plans" in the interim Executive Director's report to the California Attorney General it is proposed that if WBAI's finances can't be improved significantly in the next four to six months that the interim Executive Director would consider airing other stations' programming content on WBAI, as a replacement to the station's local programming. Whether this would improve listenership or cause a decline is an open question. The interim Executive Director also suggests that a "signal swap" might be used to generate significant one-time income for WBAI. The odds of that being a good deal in the long run seem slim, at best. The interim Executive Director also said that if necessary, "A new management team could be hired and would turn around the operations with or without the help of the existing management." Management at WBAI has been a problem for the station for more than a quarter century.

In the next several weeks the real state of the finances of WBAI and Pacifica may become clearer. Whether the decision is made that the station needs to be subjected to any of the interim Executive Director's proposed contingency plans will probably depend on what the station's revenue looks like for the rest of the Spring.

R. Paul Martin
WBAI LSB Treasurer