

WBAI Treasurer's Report  
October 9, 2019

The National Finance Committee (NFC) met on October 8, 2019. The local Finance Committee met on September 25, 2019.

At the September 25, 2019, local Finance Committee meeting the committee discussed calls for WBAI to be turned into a repeater station during a recent NFC meeting. In a discussion of on-air fund raising the General Manager said that WBAI needs more effective pitching to make more revenue. At this meeting the General Manager said that Amy Goodman of *Democracy Now!* does not pitch anymore, but that the interim Executive Director was going to deal with that issue. The committee discussed the fact that WBAI is not being credited with a number of bequests that have gone to the National Office from deceased WBAI members. **These bequests, which represent revenue in the mid to high six figures, are clearly generated by WBAI's air, not by anything from other Pacifica stations nor from anything Pacifica Management has done. Yet WBAI has been consistently denied any credit at all for these substantial donations. Meanwhile WBAI is constantly castigated for not having paid Central Services fees.**

The General Manager handed out an accounts payable aging summary which showed WBAI owing about \$613,000. Most of that figure was from accrued pension payments and Central Services fees which WBAI is being considered by the National Office not to have paid.

I presented the local Finance Committee with a cash flow projection from the National Educational Telecommunications Association (NETA), and that was discussed. That cash flow projection is appended to this report.

The local Finance Committee discussed the draft FY20 budget that the General Manager had presented. The General Manager said that he and the interim CFO had gone over the draft FY20 budget. The budget projects a deficit at the end of FY20 of \$318,000 to \$320,000.

Listener Support is being projected as being \$897,750. The General Manager said that that figure does not count the Saturday morning theater ticket donations, which the Corporation for Public Broadcasting (CPB) does not allow to be included with Listener Support because the tickets themselves sell for such high prices on the open market and are greatly discounted on WBAI. The General Manager said that revenue from those ticket donations amount to about \$60,000 a year. The General Manager said that he is looking to have more Community Events to raise revenue in FY20. The draft FY20 budget projects Community Events revenue of \$57,000 and Major Donor revenue of \$ 43,027 for a Total Revenue of \$1,374,597.

The draft FY20 budget shows Total Expenses of \$1,405,503. The General Manager said that the line for Professional Services Legal was \$12,000 and was put in just in case. At the time of that local Finance Committee meeting there were no known legal expenses coming up. The General Manager said that for FY20 he has moved a number of consultants to salaried positions.

In the course of discussing the draft FY20 budget the committee found some areas of the budget that appeared to need adjustment. The General Manager has sent me a draft FY20 budget that includes the changes suggested by the local Finance Committee. I sent that to the LSB's mailing list's Web site on Monday morning, October 7, 2019. The LSB should consider this draft

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FY20 budget.

The October 8, 2019, NFC meeting was very contentious, given that some of the people who are trying to replace Pacifica's current bylaws with bylaws that favor them and their schemes were present, and of course some of them are party to the current coup at WBAI.

At the start of the meeting the Chair announced that the interim CFO and interim Executive Director had been invited to attend the meeting. He said that the Interim Executive Director declined, and the interim CFO is out of the country. He said that the NFC would not be able to discuss specific expense items because the interim CFO was not at the meeting to answer questions.

At the start of the meeting I moved to amend the agenda by adding the item, "Illegal actions taken by some people in shutting down WBAI." There was a lot of discussion around this. I pointed out that WBAI was still off the air, and that a piece of equipment crucial to being able to broadcast from the Brooklyn studio had been removed from the premises in direct violation of the Temporary Restraining Order (TRO) that had been issued the night before. I also noted that some station equipment that had not been absconded with had been dismantled. The discussion of my amendment was contentious at times. Director Bill Crosier proposed the following amendment to my amendment, "That the discussion be on the financial issues leading to the layoffs at WBAI." After debate about that the NFC adopted Mr. Crosier's amendment by a vote of 7 for, and 3 against.

The NFC then spent half an hour discussing some of the issues around the current coup at WBAI. Those in favor of it presented it as a cash flow crisis where Pacifica can't afford to pay WBAI's Staff anymore. The list of WBAI's financial shortcomings was brought up, and there are legitimate concerns about the station's finances, and the NFC was told that it was a choice of paying WBAI's payroll again or paying NETA, and that NETA had said that if they weren't paid by the end of the month they would stop working with Pacifica. That would stop the FY18 audit from being completed and the FY19 audit would not be started. It was also stated that the California Attorney General's Office would revoke Pacifica's not-for-profit status if the audits were not done on time. I noted, among other things during this discussion, that Attorneys General might consider illegal actions like defying a TRO to be a reason for revoking a not-for-profit status as well. I also corrected some errors the proponents of the coup were making. I also noted that some people were using a figure of over \$2,000,000 owed by WBAI to the Empire State Realty Trust (ESRT) as a part of the bludgeon to justify the coup. I explained that the ESRT is no longer owed anything by WBAI or Pacifica, and that the proponents of the coup cannot claim that WBAI both owes ESRT over \$2,000,000 and is responsible for the loan debt of about \$3,200,000. I again noted that no one at WBAI had had a hand in signing the contract with the Empire State Building in 2005, that caused that financial crisis. WBAI Director James Sagurton said that what gives the lie to the high sounding reasons for the coup is that it was done during WBAI's on-air fund raiser (only six days into it in fact), and that if the people perpetrating the coup were serious they wouldn't have done it so that it shut down the on-air fund raiser, and they wouldn't have created the expenses of getting people flown to New York City, paying severance costs to the Paid Staff, legal costs and other expenses associated with the coup. I noted that there

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are cash flow issues all over Pacifica, and I said that the accusation that WBAI had been adding Paid Staff was wrong because the station had simply moved a consultant into the salaried category. Also, the PNB had not authorized the shut down of WBAI!

At the end of this discussion the NFC Chair said that he did not know anyone in Pacifica who wants to sell WBAI. This is an amazing statement.

The NFC then went to an agenda item for discussing some metrics that the Chair had provided. In this part of the meeting the fact of the approximately \$583,000 bequest that went to Pacifica from a deceased WBAI listener was again brought up to the NFC. The fact that WBAI has been sending such large amounts of revenue to the National Office seems to fall on deaf ears.

Had the coup not happened WBAI would be doing its on-air fund raiser right now. From the daily tallies I've seen so far this on-air fund raiser was starting off better than previous ones going back a couple of years, at least. A galling fact is that people in the WBAI listening area are hearing a phone number to call to pledge to KPFA! The General Manager said that he'd have gotten current with the rent for 388 Atlantic Ave. and 4 Times Square and that the upcoming payroll would have been made from the revenue that's coming in. WBAI, like all Pacifica stations, is very thin at the end of any fiscal year. I will also point out that although WBAI did need to be helped out with payroll a number of times in 2019, the General Manager says that those arrears were all paid back to the National Office.

The WBAI.ORG Web site has been wiped out, both the front end and the back end, and there's a photograph with the interim Executive Director's propaganda about why they're shutting down WBAI. On that page they also have a "Donate" button. When you click on that you see, "Donate to Pacifica Foundation Purpose: campaign\_1211." All WBAI.ORG E-mail addresses have been obliterated.

It is obvious that the financial and other reasons given for the shutting down of WBAI are in defiance of logic. This coup will cost Pacifica more money than the Paid Staff payroll for October. If you're going to shut something down you don't do it while it's having one of its three big on-air fund raisers of the year, and then say you're sending the money pledged and sent to the station back to the donors. You don't behave in such a way as to antagonize a lot of people within and without Pacifica. Clearly the agenda here is related to the agenda of the people who want to hijack Pacifica by having new bylaws adopted that will in fact allow any station, not just WBAI, to be sold on the say-so of eight of the new PNB members. There are things which need to be fixed in the current bylaws, but obliterating the current governance structure in favor of a group of hand picked Directors favored by the bylaws hijackers is not the way to improve things. And shutting down and vandalizing WBAI is not a way to bring people in Pacifica together to solve Pacifica's problems. In my personal opinion these actions, the coup and the bylaws initiative, are part of a plan to break up the Pacifica Foundation so that those who have been agitating to take KPFA out of Pacifica and make it their own individual radio station can do so. If they can sell WBAI then they'll be able to have a nice bit of capital to help them along. It is also my personal opinion that if the plan to separate KPFA were ever to come to fruition that after some years certain principals involved with KPFA would end up finding a way to liquidate that station and line their own pockets with some of the substantial proceeds. Things in Pacifica are in

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probably their worst shape ever at this point.

The next local Finance Committee meeting will be on October 16, 2019, and the next NFC meeting will be on October 22, 2019.

R. Paul Martin  
WBAI LSB Treasurer

## **Appendix**

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**Cash Flow Projection:**

WBAI	Assumes not funding Central Services FY20		
	**\$180,000 not funded to PND FY19 for Central Services, Payroll & Benefits		
Cash Balance	\$9,185 2018FY	(\$12,636) 2019FY	(\$393,879) 2020FY
Accounts Total	TotalTotal		
<b>Cash In:</b>			
Listener Support	1,325,576	1,105,342	1,093,913
Mail Fund Drive	0	0	0
Website Income	0	0	0
Corporate Match	0	0	0
Major Donor Income >\$1K/Yr	14,000	222,879	9,000
Donations	139	0	62
Car Donations	0	0	0
Restricted Contributions	0	0	0
Sponsorships Underwriting		0	0
Community Events Income	0	524	236
Crafts Fair Income	0	0	0
Premium Sale - Pacifica Stations	0	0	0
Premium Sale, Non-Pacifica	0	0	0
Income from Affiliates	0	0	0
SCA Rent Income	0	0	0
Grant Income	180,000	0	0
Grant Income - Non Operating	0	0	0
Miscellaneous/Other Income	2	2	2
Central Services Revenue	0	0	0
	0	0	0
<b>Total Cash Received</b>	1,519,717	1,328,747	1,103,213
<b>Cash Out:</b>			
Personnel Costs	534,897	589,246	659,749

Board Expenses	900	9,686	10,586
Administration Expenses	529,413	445,809	458,492
Programming Expenses	124,168	127,325	168,960
Development Expenses	209,412	153,975	181,694
Community/Special Events	6,538	3,415	4,977
<b>Total Cash Out Before Central Svc</b>	<b>1,405,328</b>	<b>1,329,456</b>	<b>1,484,456</b>
<b>Central Services</b>			
C/Svs Exp - PNO	101,340	16,890	0
C/Svs Exp - PRA	4,222	4,222	0
<b>Central Services</b>	<b>105,562</b>	<b>21,112</b>	<b>0</b>
<b>Total / Net Cash Out</b>	<b>1,510,890</b>	<b>1,350,568</b>	<b>1,484,456</b>
<b>Net Cash Change</b>	<b>8,827</b>	<b>21,821</b>	<b>381,243</b>