

WBAI Treasurer's Report
December 13, 2023

The WBAI local Finance Committee met on November 29, 2023. The National Finance Committee (NFC) met on November 14, November 28, and December 12, 2023. All of those meetings were held by teleconference.

At the November 14, 2023, NFC meeting the NFC went over the details of presenting draft FY24 budgets to the committee and how many draft budgets the committee would be able to go over in what amount of time.

The Executive Director told the committee that Pacific's Accounts Payable as of November 1, 2023, **without the Economic Injury Disaster Loan (EIDL) and FJC loan** was \$1,208,264. She said that the principal on the FJC loan was \$2,548,821, and that the principal plus the past due interest payments was \$2,832,193. She said that the EIDL principal was \$2,079,430 and the interest due was \$61,117. She said that the EIDL interest was \$8,731 and was due monthly. She said that the FJC loan interest was due every quarter.

The Executive Director told the committee that she'd gotten notice that the Corporation for Public Broadcasting (CPB) was denying funding to Pacifica for the current cycle. That means that our application for membership in the CPB had been rejected. She said that she was working with the CPB to figure out what we need to do to be in compliance the next time we apply. There are still outstanding paperwork and compliance issues from 2013, that Pacifica need to deal with.

The Executive Director said that she was working on a governance handbook that will be presented to the PNB, LSBs and the CABs as an orientation packet for volunteer board members at every level. She said that this handbook would be going out to everyone once the new board is seated. She said that everyone will be told that they will need sexual harassment and other training within 90 days of being seated. She said that the handbook would also include a link to *Robert's Rules of Order*.

The committee spent the rest of the meeting going over the financials through August 31. The committee agreed to release the "Pacifica Foundation Consolidated Monthly Income Statement For the Eleven Months Ending Thursday, August 31, 2023" to the public and I sent it to the LSB and the WBAI local Finance Committee after that meeting.

At the November 28, 2023, NFC meeting the Executive Director discussed with the committee arranging payment plans with vendors to whom Pacifica owes money and she talked about her talks with the Small Business Administration, which administers the EIDL and with FJC about paying those loans down.

The Executive Director told the committee that Pacifica had accepted an offer on the KPFK building. She said that the 15 day inspection period had started. She said that people from KPFK were working with the buyer's architects. She said that after the 15 day inspection she hoped that things would go as planned and the building would be in escrow by the first week of December. She said that people at KPFK were organizing things, deciding what to toss and what to keep or to sell. She said that with the potential sale of the KPFK building the plan was to set aside some of the proceeds of the sale in a restricted account in order to pay those FJC and

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EIDL interest payments and cover them for the next year or so.

She said that she was still waiting for some Pacifica divisions to complete moving their bank accounts to the Bank of America. the deadline for getting the accounts moved was December 1.

The Executive Director said that Pacifica still can't do the FY22 audit because there's no money to pay for it. She was reaching out and talking to the auditors about getting individual audit reports for each of the stations as per CPB requirements. She said that each station is audited already so the auditors will have those documents on hand.

Without that FY22 audit it's impossible to get a lot of grants that would otherwise be available to stations, and Major Donors usually will want to see a non-profit's last three audits before they donate large amounts of money. So it's a problem that Pacifica once again is not current with its audits. And of course you also need current audits in order to become a member of the CPB.

There was quite a bit of discussion about "volunteer" interim General Managers at Pacifica and whether it was a good idea to have more of them.

At this meeting we found out that the National Office was still waiting for the Pacifica Radio Archives, WPFW and one account at WBAI to be sent to Bank of America. KPFA was resisting transferring their accounts.

The rest of the meeting was devoted to considering the KPFT draft FY24 budget.

At the November 29, 2023, NFC meeting the General Manager sent the committee the Accounts Payable and these were discussed. (A copy of the General Manager's "WBAI 99.5 FM Radio Pacifica Foundation_New A/P Aging Summary As of November 28, 2023" is attached to this report.) He said that about 95% of the Accounts Payable were owed to the National Office and Pacifica Radio Archives for Central Services fees¹. He said that the station was reaching out more and more to Major Donors, and also pursuing PSAs. He said that he wasn't sure if the station would get a renewal of the PSAs from the New York City Department of Health and the Department of Transportation. He said that the station was reaching out to the New York State Department of Traffic safety for possible PSAs. He said the station would make about 75% of the \$100,000 we're supposed to make from on-air fund raising every month so revenue must be gotten in other ways, including underwriting. He said that there were a lot of people who were interested in underwriting WBAI programs. He said that the Harlem Chamber of Commerce was now underwriting the WBAI program *Harlem Connection*. He said that \$25,000 in a stock option had been donated in the name of the *Leonard Lopate at Large* show, and the station is waiting for the National Office to reestablish a bank account that can receive stocks donations so that WBAI can get that stock option donation. He said that the station was in the process of getting

¹ The Central Services fees go to the National Office where they pay for a lot of expenses that are shared by all of Pacifica. They pay for things like the various forms of insurance that Pacifica and the stations and other divisions need to carry, paying for audits, paying for various legal services and a lot of other required expenses.

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\$6,500 from a Union for Monday's *What's Going On* program. He said that the station has a lot of excellent programming but we don't see much money flowing. He said that the station would have to generate money from PSAs and underwriting in order to pay Central Services fees, which he anticipates the National Office will really lean on us to pay on a regular basis. He said that WBAI had paid about two-thirds of its Central Services fees for the last year. He said that the local Finance Committee would not be getting this kind of report from him anymore because we are transitioning to Bank of America and all money now goes to Bank of America. He said that he'd gotten an invitation from Bank of America to go on-line and establish his account to see what's going on. He said he'd looked around and it seemed very difficult. He said he tried to get the bank account in sync with his *QuickBooks* accounting software but the Bank of America cash flow version that we're using doesn't work with it. He told the committee about the Bank of America requiring that he go through various steps involving downloading data and manipulating it. He said he'd spent two hours on the phone with Bank of America people and they'd confirmed that he had to do it that way. He said that with some vendors 99% of everything is totally automated. He said that he'd made a list of vendors and sent it to the Pacifica National Business Manager. He said that he'd set up a number of vendors that are regularly paid so that they'll continue to be automatically paid from a Bank of America account. He said that he had been regularly putting \$500 in the government Web site stamps.com for mailing premiums. He said WBAI still needs to get that account in sync with Bank of America because he's not going to put in the \$500 every other day or so or else put \$10,000 in that account all at once. He said that there's a new process to pay most vendors. He said that he was not totally clear how the process works, whether the payment is made by the National Office or if he gets authorization to pay them. He said that there's a steep learning curve. He said he was proud of his Staff for getting that done on very short notice. (A copy of the General Manager's written narrative "WBAI Management Report to the LSB Finance Committee November 29, 2024 FY 2023 (10-01-2022 to 09-30-2023) in Review" is attached to this report.)

I urged the General Manager to run each and every underwriting contract past the Pacifica General Counsel. He said that he'd reached out to the Pacifica Affiliates Network Director for some copies of the underwriting agreements that they use and he was talking to the Executive Director and the General Counsel about the underwriting. He said that all of the Pacifica stations were interested in doing underwriting. He said that he thought that there should be an official Pacifica document about underwriting that all of the stations could use.

In answer to a question the General Manager said that his understanding was that he wouldn't have the information he'd need to give reports, and that we'd have to get future reports from the National Office. He said that he might also not be able to ask for checks. He said that if he's not aware of what's outstanding he can't make requests. He said he was crafting a letter to send to the Executive Director asking for more clarification about his role in this.

The local Finance Committee took up the WBAI draft fiscal year 2024 (FY24) budget proposal at this meeting. Pacifica's FY24 runs from October 1, 2023, to September 30, 2024. The draft budget presented at this meeting projected an end of year deficit of \$115,276. There was a lot of discussion about this and some suggestions were made to increase the Total Revenue by projecting higher revenues from community events and other sources in order to reduce that

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deficit. An issue that came up was that the General Manager had put a line in the budget for bequests at \$115,000. Projecting bequests is not allowed in Pacifica because you can't tell for certain that you'll get a bequest during a certain fiscal year and you may not get a bequest at all. Taking the bequest line out of the draft budget would have raised the deficit to around \$230,000. The current draft budget, after suggestions from the local Finance Committee, has a Bequest line of \$36,000 which may only be allowed when this budget goes to the NFC if that figure is cash in hand from a bequest we've already received. With all of this the current WBAI draft FY24 budget is projecting a deficit of \$139,136. The committee passed a motion that said, "The local Finance Committee recommends to the LSB that they approve the WBAI draft FY24 budget proposal," and this motion was passed without objection. This draft FY24 budget proposal will be on the agenda for tonight's LSB meeting.

The local Finance Committee also passed a motion "That the WBAI LSB Finance Committee urges the WBAI LSB Treasurer to join with the other three WBAI LSB Officers to call a Special WBAI LSB Meeting to review the WBAI FY24 Draft Budget." And the other three officers did agree to meet with me. In the end we did not reach the unanimous consent required by the Pacifica bylaws to call a "special" or "urgent" meeting, mostly because I did not agree to having such a meeting. Thus the WBAI LSB will consider this budget tonight.

At the December 12, 2023, NFC meeting it was decided to have an extra meeting, with the possibility of it being partly held in executive session, to get through more of the draft FY24 budgets.

The NFC and the Executive Director talked about possibly revising the Central Services formula yet again. Currently the Central Services fee is supposed to be 15% of a station's Total Revenue, with some exceptions. Since the motion which created that Central Services formula was passed at the April 11, 2023, NFC meeting a higher percentage of Pacifica stations are running deficits. In the past, discussions about Central Services formulas have gone on for a long time and they haven't always worked out. If we launch into another long debate about a new Central Services formula it could have a disruptive effect on Pacifica. On the other hand if most of the stations can't afford to pay the Central Services fees it won't matter much what the formula is.

Since it looks like the KPFK building is really going to be sold, and is projected to be getting removed for a year and a half, **there is a lot of sudden concern for the Pacifica Radio Archives (PRA) where something more than 70 years of recordings are housed. PRA operates in the KPFK building. There was considerable discussion about what to do in the next few weeks about the archives. Suddenly there is a big time crunch.**

With regard to the stock option donation in the name of the *Leonard Lopate at Large* show the Executive Director said that the necessary paperwork that has to be signed by various people around the country is making its rounds. The Executive Director said that the process of setting up the bank account to receive such donations should be done in week to a week and a half.

WBAI cannot pay its bills. Pacifica cannot pay its bills, most of the other stations cannot

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pay their bills. Obviously this cannot go on. There's a lot of concern about KPFK having to move in a pretty short period of time. There is concern for PRA which has shared that building for years and which holds a lot of the historical archives of Pacifica and its stations in that building. On the brighter side we may finally be done with the FJC loan and maybe even the EIDL. But the inability of the radio stations to sustain themselves and support other parts of Pacifica is still a problem. As I said in the last Treasurer's Report change is coming. I am pessimistic.

The next NFC meeting is scheduled for Tuesday December 19, 2023, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, December 20, 2023, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer

APPENDIX

WBAI Management Report to the LSB Finance Committee

November 29, 2024

FY 2023 (10-01-2022 to 09-30-2023) in Review

FY '23 was challenging because Pacifica is in free fall and WBAI could not rely on them for support. Further, WBAI is running out of premiums to present to the listeners as our producers are not generating new premiums. We are getting diminishing returns.

This was a transition year as we try to rely less on premium and more on grants, PSA and underwriting. Our programming and the sequence of our programming grid is diverse and well put together. However, we must evaluate whether we should reduce the heavy public affairs programming to provide more entertainment such as music, art, theater, and self-help programming. The Pacifica Network at this point wants us to explore more programming that will attract a larger audience to generate more money.

- Finances:
 - In the Bank \$8,236.84
 - WBAI Finished FY '23 with a deficit of \$170,824.23 - \$14,235.35/month per QuickBooks.

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- Bequests of \$204,357.00 contributed to this performance.
 - Without the bequest the deficit is: \$375,181 or \$31,265.08/month.
 - WBAI had the most diverse source of revenue this year:
 - 51% FundDrive
 - 18% BAI Buddy (Sustain donors)
 - 15% Bequest.
 - 5% Theater Tickets.
 - 5% PSA (Public Service Announcements).
 - 2% Grants
 - 1% Car Donation
 - WBAI Paid \$120,000.00 of \$202,680.00 Central Services (\$10K of \$16,890 per month)
 - Account Payable is \$1.6 million of which \$1.5 million is owed to Pacifica.
 - The most concerning Account Payables are:
 - 4TS (Tower Rent) \$76,351.75
 - ACD Call Center \$67,415.45
 - WBAI received a bequest that is in litigation – WBAI is earmarking all the proceeds of this Bequest to these two entities.
 - ACD Call Center is costing us about \$6,500.00 per month. WBAI is trying to pay them off to transfer the number back to WBAI to have volunteer take the pledges.
 - WBAI continues to reduce expenses by almost eliminating Consultants, which makes our work harder and harder.
 - WBAI is projecting to increase PSA and Underwriting revenue to make up for the drop in FundDrive revenue.
 - By reducing the participation of consultants who pitched fund drive shows we have reduced our revenue from about \$3,000.00 daily to \$2,000.00 daily – a significant #.
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- Fund Drive

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- Disturbing trend – WBAI is raising less and less money.
- WBAI’s producers continue to struggle to find premiums.
- Premiums played over and over. These premiums have been played that many months out of 25 months.

| Description | Total | Months |
|-----------------------------------|--------------|--------|
| --No Data-- | \$444,448.69 | 25 |
| DROTH21 DAVID ROTHENBERG TICKETS | \$ 75,539.50 | 20 |
| DROTH21 DAVID ROTHENBERG BOOK | \$ 9,024.00 | 18 |
| GN REVERSING HEART POWER FOODS | \$ 70,043.29 | 16 |
| XXXXX | \$ 82,852.00 | 16 |
| BMP WEALTH ABUNDANCE MEGA PACK | \$ 57,687.68 | 15 |
| CHAGA MUSHROOM BOOSTER PACK | \$ 33,189.79 | 14 |
| GARY NULL WATER FILTER DEVICE | \$ 29,180.32 | 14 |
| REVERSING HEART DISEASE | \$ 5,602.10 | 14 |
| GARY NULL DETOX PACK | \$ 17,461.37 | 13 |
| XXXXXX | \$ 13,156.36 | 13 |
| DROTH21 BACKSTAGE STORIES TICKETS | \$ 9,385.00 | 12 |
| GARY NULL CANCER PACK | \$ 18,214.58 | 12 |
| GN POWER FOODS DVD | \$ 2,120.00 | 12 |
| GN PREVENTING AND REV | \$ 11,873.29 | 12 |
| MEDICINAL OLIVE OIL | \$ 6,960.96 | 12 |
| THE AFRICAN HISTORY PACK - 3 D | \$ 4,505.00 | 12 |
| THE JOURNEY WITH BOBBY SANABRI | \$ 14,723.26 | 12 |
| BLACK PANTHER PARTY BOX SET 6 | \$ 10,306.58 | 11 |
| DROTH21 XXXXX | \$ 3,270.00 | 11 |
| MEDICINAL AND FOOD OLIVE OIL | \$ 20,741.16 | 11 |
| NATURAL MEDICINE: A SURVIVORS | \$ 13,816.16 | 11 |
| OUR LATIN THING (NUESTRA COSA) | \$ 5,100.00 | 11 |
| DAVOS MAN BOOK | \$ 3,407.65 | 10 |

- Premiums:

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- WBAI is managing its premium load, but it takes time to ship them as we struggle with logistics, time & resource, and money.
- LSB members demand “accountability” and yet wonder why we owe 4TS and ACD Call Center.
- Something has to give and WBAI Management has done an excellent job juggling the available money to meet payroll, health benefits, basic needs and yet managed to partially pay many vendors to keep WBAI running.
- PSA
 - Way too much work for Management
 - WBAI raised \$69,508.11 in FY '23 and \$17,000.00 in FY '24
 - Professionally produced pamphlets at the station
 - Working on Underwriting pamphlet and stats sheet – finishing touch
- Plan:
 - Raise fundraising to previous level.
 - Double or triple PSA revenue.
 - Work with various shows to get underwriting.
- Transition:
 - The National Office opened a BoA account for WBAI and each station
 - WBAI successfully and quickly redirected all FundDrive revenue to go to BoA.
 - This is the last of its kind report you will get from Berthold.
 - BoA – CashPro does not synchronize with QuickBooks, therefore all bank transactions must be downloaded into a CVS or other formatted file and then key the info into the accounting software. That is a lot of unnecessary work.
 - WBAI will have to fill out a request form to ask for bills to be paid. Not yet clear how that will work. I am not yet sure if I have to fill out a request form to pay The Tower rent for example and I am working hard to have many bills removed from Chase automatic payment into BoA automatic payment such as: Verizon accounts that hosts our broadcast lines at 288 and 4TS, Time Warner Cable – Spectrum that hosts our lines at 388, My Fusion Connect that manages our phone line, LEAF leasing company for the printer at BAI, Stamps.com

| | A | B | C | D | E | F | G |
|----|---|----------------|--------------------|--------------------|--------------------|-----------------------|-----------------------|
| 1 | WBAI 99.5 FM Radio Pacifica Foundation_New | | | | | | |
| 2 | A/P Aging Summary | | | | | | |
| 3 | As of November 28, 2023 | | | | | | |
| 4 | | | | | | | |
| 5 | Description | Current | 1 - 30 | 31 - 60 | 61 - 90 | 91 and over | Total |
| 6 | 4TS - 4 Times Square | | 17,574.95 | 17,646.21 | 17,588.92 | 23,541.67 | 76,351.75 |
| 7 | ACD Direct, Inc. | | 4,629.37 | 6,295.56 | 4,740.19 | 51,750.32 | 67,415.44 |
| 8 | Pacifica National Office - PNO | | 16,890.00 | 14,890.00 | 6,890.00 | 707,368.62 | 746,038.62 |
| 9 | PRA (Central Service) | | 4,222.00 | 4,222.00 | 4,222.00 | 332,600.50 | 345,266.50 |
| 10 | Health Care Bill Back | | 11,548.50 | 11,548.50 | 11,548.50 | 188,596.52 | 223,242.02 |
| 11 | Payroll Expenses | | 5,052.80 | | | 147,710.71 | 152,763.51 |
| 12 | Sub-Total (of concern) | | 59,917.62 | 54,602.27 | 44,989.61 | 1,451,568.34 | 1,611,077.84 |
| 13 | | | | | | | |
| 14 | 5th Circle Records, Inc. | | | | | 600.00 | 600.00 |
| 15 | Allegiance Fundraising LLC | | 252.00 | | | | 252.00 |
| 16 | Anastasia Alexiadis | | | | | 4,348.00 | 4,348.00 |
| 17 | AT&T | | 250.00 | 187.77 | | | 437.77 |
| 18 | B&H Photo | | | | | 197.30 | 197.30 |
| 19 | Berkeley Life Profession | | | | 2,695.00 | | 2,695.00 |
| 20 | Bob Hennely | | | 500.00 | | 125.00 | 625.00 |
| 21 | CHAGIT | | | | | 3,019.00 | 3,019.00 |
| 22 | Felipe Luciano | | | | | 500.00 | 500.00 |
| 23 | Fusion | | | | | 13.20 | 13.20 |
| 24 | Kathryn Davis | | | | | 1,340.00 | 1,340.00 |
| 25 | Keziah Glow | | 1,000.00 | | | | 1,000.00 |
| 26 | Lylburn Downing | | | | | 1,166.67 | 1,166.67 |
| 27 | NFCB | | | | | 3,875.00 | 3,875.00 |
| 28 | or Books | | | | | 149.39 | 149.39 |
| 29 | PRA (Premium) | | | | | 2,125.00 | 2,125.00 |
| 30 | Power Cooling, Inc | | | | | 835.00 | 835.00 |
| 31 | Protekt | | | | | 1,584.67 | 1,584.67 |
| 32 | RRC - Arbitron | | | | | 3,510.00 | 3,510.00 |
| 33 | The Commons Foundation | | 5,300.00 | 5,300.00 | 5,300.00 | | 15,900.00 |
| 34 | Your Strategic Solutions, LLC | | | | | 325.00 | 325.00 |
| 35 | Sub-Total (others) | 0.00 | 6,802.00 | 5,987.77 | 7,995.00 | 23,713.23 | 44,498.00 |
| 36 | | | | | | | |
| 37 | TOTAL | \$0.00 | \$66,719.62 | \$60,590.04 | \$52,984.61 | \$1,475,281.57 | \$1,655,575.84 |