

WBAI Treasurer's Report  
April 14, 2021

The National Finance Committee (NFC) met on March 23, and April 13, 2021. The local Finance Committee met on March 17, 2021. All of these meetings were held by teleconference.

During the local Finance Committee meeting of March 17, the WBAI General Manager told the committee that WBAI had about \$1.1 million in outstanding payables. He sent the committee a small spreadsheet on the station's Accounts Payable, a copy of which is appended to this report. The General Manager said that about \$529,000 of the outstanding payables was from the National Office and more than \$18,000 was owed to Pacifica Radio Archives (PRA). He said he was including some payroll expenses in the Accounts Payable because the National Educational Telecommunications Association (NETA) has never told him how to write off the payroll that's been covered by the Paycheck Protection Program (PPP) loan/grant. The General Manager also said that it was a mystery to him how NETA wants pension expenses booked. He said that there was about \$6,000 in WBAI's PayPal account and about \$8,100 cash in bank. He said that for January 1, 2021, through March 17, 2021, WBAI was showing a net loss. A Profit and Loss document that the General Manager sent to the committee showed WBAI running a deficit of more than \$70,000 as of the date of this meeting. He said that February was an awful month with no premiums and no money and it ended with a deficit of more than \$47,000.

The General Manager said that the station was going with the *Allegiance* software on which he and others have been training, and he said that WBAI would be switching from the current Signius call center and using a new one that works well with *Allegiance*. He said that *Allegiance* also provided an automatic renewal system for members. He said that the new system would be able to put out the tax letters, that had been required to go out a month and a half earlier, very quickly in the next week. He said that he had a list of reports that he wanted to have *Allegiance* put out. There was a discussion of possibly being able to hold Community Events again with things opening up.

The March 23, 2021, NFC meeting was mostly taken up with the consideration of the KPFA draft FY21 budget proposal.

At this meeting we learned that WBAI Director James Sagurton had been reelected Chair of the NFC.

At this meeting the interim CFO said that the NETA Staff was working on the February financials. She said that the FY20 audit was progressing, and that she'd reached out to the auditor and he said that he was going to do everything in his power to meet the deadline.

At this meeting I noted that the FY18 and FY19 990s had been posted to the Pacifica Web site, and I thanked the interim CFO for getting that to happen.

The rest of the meeting was conducted in executive session in order to discuss the loan. The following is the official report out from that executive session, "The NFC met in executive session to discuss confidential matters related to the loan, during this executive session it was stated that Pacifica is current with the interest payments to date, and that future interest payments are in the National Office budget."

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At the April 13, 2021, NFC meeting the Chair announced that **an 18 month extension to the FJC loan has been negotiated by Pacifica's Corporate Counsel and interim Executive Director with assistance from the interim CFO her NETA Staff.** He said that only two material terms of the loan were changed with the critical one being the 18 month extension.

The Chair said that the lender had also added to the terms of the loan that Pacifica should follow its own policy, established by a February 6, 2020, PNB resolution, dedicating "windfall" income (major donations, grants and bequests) to loan repayment at the rate of 50% from National Office windfalls and 30% from station windfalls. The Chair said that the original amount of the loan was \$3.2 million and that Pacifica has paid \$100,000 of the principal down with bequest income leaving a current balance of something more than \$3.1 million. He said that there will be some legal fees for drawing up the new loan papers, but these fees will be minor in the big picture.

The NFC Chair said that being current on the loan payments was one of the reasons why the 18-month extension was offered to Pacifica. He said that the interest payments of \$50,000 per quarter are made by the National Office, which is why some were less aware of them. He said that the interest payments come from National Office income such as Central Services, bequests, grants, SCA payments, etc. which is why they are not budgeted for by the stations.

The NFC Chair said that the loan extension is under the same terms as the original loan and that no restructuring had been demanded or granted by the lender. He said that the lender's expressed policy is to require the same interest rate on all their loans to all their borrowers. He said that the lender has expressed a positive opinion about Pacifica, having received a favorable opinion from the current auditor and based on the fact that we've made timely interest payments.

Alex Steinberg, Chair of the PNB and WBAI LSB member, was on the call and said that there will be an official Pacifica press release on this matter on the morning of April 14, 2021. He congratulated the NFC on the work done this year. He noted that one of the positive things we can point to is that we have prepared budgets this year. He said that the report from the auditor helped a lot to get the loan extension.

A lot of this meeting was taken up with the consideration of the draft FY21 budget proposal of the Pacifica Radio Archives (PRA). During the course of these discussions the PRA Director said that he wanted to note that WBAI has not paid any Central Services fees to PRA for FY21 or has paid very little for the last several years. The NFC Chair said that he had brought this to the attention of the WBAI General Manager and that as a result the General Manager had sent a Central Services payment to PRA. The PRA Director said that the approximately \$25,000 in Central Services fees that WBAI was supposed to have paid to PRA this year, but did not pay, will have a large effect on their bottom line. He said that if we can figure out a path to WBAI and WPFW paying their PRA Central Services fees regularly that would relieve a lot of stress for the people at PRA.

At this meeting the interim CFO reported that Pacifica's financials basically look good. She said that the consolidated net for all of Pacifica was \$1,267,031.36 which, because of the PPP grant is \$1,147,650.46 better than last year. In discussing the stations she noted that WBAI was showing a deficit of about \$103,000 by the end of February, which was about \$15,000 better than last year. This was helped a lot by WBAI getting about \$94,000 from the 2020, PPP loan-

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turned-grant. A copy of the interim CFO's "Pacifica Foundation Financial Narrative for February 2021" is appended to this report.

As a result of the 2021, PPP loan a number of Pacifica's Accounts Payable have been greatly reduced or eliminated. NETA has been paid their fees and Pacifica is now current with them.

At the end of this meeting I asked the interim CFO to contact the WBAI General Manager regarding his problem with how to book payroll in light of the PPP loan and grant, and about booking pension payments. She said she would contact him.

The interim CFO says that Pacifica is looking good, financially. At the moment that's true, for Pacifica. It is to be noted, however, that this is the result of the PPP loans and the fact that one of those loans became a \$1.2 million grant. It needs to be kept in mind that WBAI is still running a six figure deficit, and that without the PPP grant of \$94,000 the station would be showing a deficit of about \$213,000 right now. The General Manager had complained about the poor performance of on-air fund raising in February, showing how dependent the station is on premiums. There are not that many sources of premiums for WBAI and when one of them doesn't "*click*" with the listeners it can cause a serious hole in the station's on-air fund raising efforts.

The fact that the Director of the PRA is now openly complaining about WBAI not paying its Central Services fees to PRA is something WBAI Management should note with concern. The PRA Director told the NFC that he'd held off on complaining about the arrearages in the past due to the tremendous financial burden that the Empire State Building fees had placed on WBAI. That was then, this is now.

There is hope that before the end of FY21 things will open up enough that WBAI can do Community Events again for off-air fund raisers and that Broadway will flourish again and that WBAI will benefit from discounted theater ticket offerings. But when in the past the station was running Community Events and using Broadway theater tickets as premiums it was still operating in the red. We may have a temporary breather right now, but the station still has the problem of needing to raise significantly more revenue. Other parts of Pacifica are having to fill in WBAI's financial shortfalls. The question is when and how will that end?

The next local Finance Committee meeting is scheduled for Wednesday, April 21, 2021, at 7:00 PM (ET). The next regular NFC meeting is scheduled for April 27, 2021, at 8:30 PM (ET). Both of these meetings will be held by teleconference.

R. Paul Martin  
WBAI LSB Treasurer

## Appendices

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**WBAI's Accounts Payable as of March 17, 2021**

<b>WBAI 99.5 FM</b>					
<b>A/P Aging</b>					
<b>As of March 17, 2021</b>					
	<b>1 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>91 and over</b>	<b>Total</b>
<b>Accrued Pension</b>	2,500.00	2,500.00	2,500.00	99,114.58	106,614.58
<b>Health Care Bill Back</b>	9,867.59	9,867.59		81,142.01	100,877.19
<b>LEAF</b>		424.77			424.77
<b>Pacifica National</b>	16,890.00	16,890.00	16,890.00	478,663.62	529,333.62
<b>Pacifica Radio</b>	4,222.00	4,222.00	4,222.00	205,940.50	218,606.50
<b>Payroll Expenses</b>	41,256.02			152,366.40	193,622.42
<b>Withdrawal</b>				(500.00)	(500.00)
<b>TOTAL</b>	<b>\$74,735.61</b>	<b>\$33,904.36</b>	<b>\$23,612.00</b>	<b>\$1,016,727.11</b>	<b>\$1,148,979.08</b>

Wednesday, Mar 17, 2021 11:36:05 AM GMT-7

**Pacifica Foundation Financial Narrative for February 2021**

**Financial Dashboard**

**Consolidated Report**

Consolidated net operating gain or loss without depreciation: Net income YTD through February 28, 2021 is \$1.27M vs. \$119K net income YTD as of last February showing an overall increase in income of \$1.15M. This is due to recognition of the first PPP loan of \$1.2M that was forgiven in full.

Total Revenue: Total revenue YTD through February 2021 is \$5.9M vs \$5.2M YTD February 2020, an increase of \$684K or 13%.

Total Expenses: Total expenses YTD through February 2021 are \$4.6M vs. \$5M YTD February 2020, a decrease of \$464K or 9%.

**KPFA**

KPFA shows income for the period of \$430K compared to prior YTD income of \$87K. (PPP \$343K)

**KPFK**

KPFK shows income for the period of \$155K compared to a prior YTD loss of \$65K. (PPP \$322K)

**KPFT**

KPFT shows income for the period of \$5K compared to a prior YTD gain of \$51K. (PPP \$35K)

**WBAI**

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WBAI shows a loss for the period of \$103K compared to a prior YTD loss of \$119K. (PPP \$94K)

### **WPFW**

WPFW shows net gain of \$168K for the period compared to prior YTD gain of \$70K. (PPP \$111K)

### **Profit & Loss Statement**

#### **Revenue**

**Total Revenue** YTD through February 2021 is \$5.9M vs \$5.2M YTD February 2020, an increase of \$684K or 13%. (PPP \$1.2M)

**Listener Support** is above prior year at \$3.8M vs \$3.8M for February 2021, an increase of \$24K.

**Major Donor Revenue** for YTD through February 2021 is \$100K vs. \$143K YTD February 2020, a decrease of \$43K.

**Donations** for YTD through February 2021 is \$57K vs. \$674K YTD February 2020, a decrease of \$617K.

#### **Total revenue by unit:**

KPFA shows an increase of \$325K or 20% over FY20. (PPP \$365K)

KPFK shows an increase of \$139K or 10% over FY20. (PPP \$322K)

KPFT shows a decrease of \$103K or 26% over FY20. (PPP \$35K)

WBAI shows a decrease of \$3K or 1% over FY20. (PPP \$94K)

WPFW shows an increase of \$97K or 14% over FY20. (PPP \$111K)

NO shows an increase of \$83K or 26% over FY20. (PPP \$282K)

PRA shows an increase of \$46K or 48% over FY20. (PPP \$47K)

#### **Expenses**

**Total Expenses** through February 2021 are \$4.6M vs. \$5M YTD February 2020, a decrease of \$464K or 9%.

KPFA shows a decrease of \$18K or 1% over FY20.

KPFK shows a decrease of \$81K or 6% over FY20.

KPFT shows a decrease of \$58K or 21% over FY20.

WBAI shows a decrease of \$18K or 3% over FY20.

WPFW shows a decrease of \$1K over FY20.

NO shows a decrease of \$370K or 43% over FY20.

PRA shows no change over FY20.

**Personnel** expenses for the period October – February are \$10K less than FY20 at \$2.8M.

KPFA shows an increase of \$72K or 8% over FY20.

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KPFK shows a decrease of \$27K or 3% over FY20.

KPFT shows a decrease of \$26K or 22% over FY20.

WBAI shows a decrease of \$11K or 4% over FY20.

WPFW shows a decrease of \$11K or 4% over FY20.

NO shows a decrease of \$78K or 48% over FY20.

PRA shows an increase of \$1K or 1% over FY20.

**Administrative** expenses for YTD through February 2021 are \$1.09M vs \$1.3M YTD February 2020, a decrease of \$218K or 17%.

**Programming** expenses for YTD through February 2021 are \$361K vs \$388K YTD February 2020, a decrease of \$28K or 7%.

**Development** expenses YTD through February 2021 are \$350K vs \$461K YTD February 2020, a decrease of \$111K or 24%.

**Community/Special Events** expenses YTD through February 2021 are \$7K vs \$49K February 2020, a decrease of \$42K or 85%.

**Net Income/Loss without Depreciation** overall YTD through February 28, 2020 is \$1.3M vs. \$119K net loss YTD as of last February showing an overall increase in income of \$1.2M (PPP loan forgiveness \$1.2M).

KPFA YTD through February 2021 is \$430K vs \$87K in 2020, an increase of \$343K. (PPP \$365K)

KPFK YTD through February 2021 is \$155K vs (\$65K) in 2020, an increase of \$220K. (PPP \$322K)

KPFT YTD through February 2021 is \$5K vs \$51K in 2020, a decrease of \$45K. (PPP \$35K)

WBAI YTD through February 2021 is (\$103K) vs (\$119K) in 2020, an increase of \$15K. (PPP \$94K)

WPFW YTD through February 2021 is \$168K vs \$70K in 2020, an increase of \$98K. (PPP \$111K)

NO YTD through February 2021 is \$518K vs \$47K in 2020, an increase of \$471K. (PPP \$282K)

PRA YTD through February 2021 is \$94K vs \$48K in 2020, an increase of \$46K. (PPP \$111K)