

WBAI Treasurer's Report
August 11, 2021

The National Finance Committee (NFC) met on July 27, and August 10, 2021. The local Finance Committee met on July 21, 2021. All of these meetings were held by teleconference.

At the July 21, 2021, local Finance Committee meeting the General Manager told the committee that as of the time of that meeting WBAI was about \$7,000 in the red for FY21, but the numbers from the National Educational Telecommunications Association (NETA) as of May 31, 2021, have WBAI in the red by about \$143,000. He said that by his *Quickbooks* calculations WBAI is in the red by \$124,801. He said that there was a variance with NETA of about \$18,000 over eight months. He said that WBAI's outstanding payables was about \$1 million, most of which is various Central Services fees. \$761,000 is owed to the National Office for Central Services fees and payroll from previous years. (A copy of the General Manager's Accounts Payable spreadsheet is appended to this report.) He said that he was going to ask the National Office and NETA if he could take the \$109,000 owed in Accrued Pension off the list of payables. He said that the station owes 4 Times Square about \$31,000 and owes about \$6,000 to the call center and about another \$6,000 for premiums. He said that the station should have been able to pay 31,000 by the end of July 2021.

The General Manager said that WBAI was not doing that well in July. He said the station had made about \$44,000 from pitching and that the station was averaging about \$2,095 a day and so the station was short about \$24,000 for July 2021. He said that he was talking to a Major Donor and that it looked like the station will get some money as a result. He said that the person may fund WBAI's social media and marketing activities. He said that there would be more presentations to the Staff regarding social media, etc. He said that he was still working on contracts for podcasting and that podcasts can make a lot of money. He said that Lenny Lopate has a lot of listeners in other countries.

During discussions at this meeting the General Manager said that he would run any proposals for advertising on WBAI podcasts past Pacifica Management for approval. He said that plans to revamp the WBAI Web site were on hiatus because the Web master is working on other things for the station like cleaning up the old database.

At this meeting the local Finance Committee took up the WBAI draft FY22 budget proposal. The General Manager is projecting raising about \$1.5 million next year in Total Revenue based on a projection of Listener Support at about \$1,070,000. He projected BAI Buddies at about \$180,000 for the year. He said that he's projecting Broadway tickets about the same as they were before. He said that the station might have a six digit Major Donor revenue. He said he hoped to get revenue close to \$200,000 better than last year. He said that he projected Salary and Related expenses at about \$1.3 million and that he was projecting an end of year deficit of about \$109,000. He said that the assumptions were the same as in FY21, that he's assuming about \$100,000 in revenue a month every month. One of the issues with Community Events is the need for audiences to be vaccinated. The committee also discussed head count with the General Manager and the need to conform to the rules regarding hiring.

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A lot of the July 27, 2021, NFC meeting was taken up with the draft FY21 KPFK Budget and timelines for the FY22 budgets. At the July 13, NFC meeting a motion had been passed asking the interim Executive Director for a copy of the contract for the sale of the KPFT building and for the renegotiated FJC loan agreement. The NFC Chair reported that, “The Executive Director, Lydia Brazon, has responded to our resolution of July 13 requesting her to send us the broker’s contract for the sale of the KPFT studio building saying, ‘It will be forthcoming at the appropriate time for Directors only.’ In the same Resolution we requested to see the renegotiated FJC Loan agreement. Her response is that, ‘It is under review for any necessary redactions.’” There’s more on this issue below.

The interim CFO said that the National Office had about \$124,000 in outstanding invoices; NETA and the auditors are the largest outstanding invoices and Central Services payments from all of the stations was short by about \$449,000 for FY21 YTD. The interim CFO said that the \$124,000 in outstanding invoices was the figure arrived at after counting in the \$200,000 payment from WBAI. The inability of NETA to see everything in the bank accounts of all of the stations came up again. Another issue that came up was that NETA doesn’t see the invoices that come in and so can’t keep close track of Accounts Payable for each station. WBAI and WPFW scan in their invoices and so NETA knows what’s going on at those two stations but the interim CFO pointed out that it’s impossible to know what the Accounts Payable are at other stations because they don’t send NETA invoices until they are paid. The interim CFO once again suggested that the same protocols that are in place at WBAI and WPFW should be implemented at all Pacifica stations.

The issue of KPFT’s building, which is being sold, came up at this meeting. The NFC passed the following: **Motion:** (Teresa J. Allen) “That the NFC ask the interim Executive Director and the PNB for evidence that the KPFT building at 419 Lovett is listed for sale.” (Passed without objection)

At the August 10, 2021, NFC meeting the issue of KPFT’s building came up again. NFC members, not just ones from KPFT, want to know why the offering for the building is not getting as wide a dissemination as possible. Some NFC members want to see the broker’s contract for the sale of the former KPFT studios at 419 Lovett Blvd. After quite a bit of discussion the KPFT Director on the NFC said he would bring up a motion to the PNB to have the interim Executive Director give a progress report on the sale of the building at 419 Lovett Blvd. Let’s hope that the folks at KPFT have better luck with the sale of their building than WBAI had in the late ‘70s when the church that housed WBAI’s studios had to be sold to pay back taxes, which the station shouldn’t have been assessed for in the first place. WBAI and Pacifica came out of that real estate deal much diminished. WBAI’s tax-exempt status was only established a couple of years ago. Had people decades ago paid attention to that detail WBAI might still be operating out of that church today.

At this meeting the interim CFO went over the Monthly Income Statement For the Nine Months Ending June 30, 2021. Again, the numbers don’t look bad at all, but that’s because Pacifica got \$1.2 million infused into it by the Paycheck Protection Program (PPP) loan that was forgiven. (A copy of the interim CFO’s “Pacifica Foundation Financial Narrative for June 2021”

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is appended to this report.)

In the previous Treasurer's Report I told about the crossed signals regarding the deadline for Pacifica's FY20 audit. At this NFC meeting **the interim CFO said that the California Attorney General will get Pacifica's completed FY20 audit this week**, ahead of the extended deadline for getting it in.

The interim CFO told the NFC that more forms from the Small Business Administration had been filled out and that Pacifica should get forgiven the second PPP loan soon.

According to NETA WBAI shows a net deficit of \$12,518.58 for the period ending June 30, 2021. This is better than the deficit a year ago at this time which was \$176,277.90.

There was a brief discussion of a uniform Chart of Accounts for all of Pacifica being implemented. Pacifica used to have one of those. It made reading financial reports about the different stations much easier. If a uniform Chart of Accounts and a uniform template for the budgets were to be combined with giving NETA the ability to see all bank account and credit card account balances in Pacifica, along with all invoices being sent to NETA on a daily basis then transparency, accountability and responsible Management could happen at Pacifica.

Pacific is still riding the crest of the PPP money, which will amount to about 2.4 million once the second loan is forgiven. WBAI is showing a small deficit after about \$300,000 from bequests and the forgiven PPP loan are factored in. WBAI stands to get another \$94,000 or so when the second PPP loan is forgiven. So FY21 is looking pretty good. But neither Pacifica nor WBAI can expect so much money to fall out of the sky in FY22, which starts in about 7½ weeks. Through June 30, WBAI's Listener Support revenue is worse than last year by about \$110,000. Will that recover in FY22 with more people going back to work? Or will we face a post-pandemic recession, which would affect people's ability to donate money to WBAI? Will FY22 even be a post-pandemic time? The General Manager is having some producers come back to the station to do programs live. Maybe that will help to raise money. Will Community Events, live pitching and Broadway theater ticket donations make the difference and put WBAI into the black in FY22? I can't say that it looks that way. Something more must be done. The biggest potential for raising more revenue is going to be associated with the air. Can greater revenue from the air be realized? Do I need to mention that I am not optimistic?

The next local Finance Committee meeting is scheduled for Wednesday, August 18, 2021, at 7:00 PM (ET). The next regular NFC meeting is scheduled for Tuesday August 24, 2021, at 8:30 PM (ET). Both of these meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer

Appendix

The General Manager's Accounts Payable Summary

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WBAI 99.5 FM Radio Pacifica Foundation_New
A/P Aging Summary
 As of July 21, 2021

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
4TS - 4 Times Square		15,932.43				15,932.43
Accrued Pension					109,114.58	109,114.58
ACD Direct, Inc.		6,246.09				6,246.09
B&H Photo			(293.96)			(293.96)
Empire State Building					0.00	0.00
Gary Null & Associates		2,250.00			0.00	2,250.00
Health Care Bill Back					100,877.19	100,877.19
Pacifica National Office - PNO			(31,100.00)		427,993.62	396,893.62
Pacifica Radio Archives - CS			4,222.00		218,606.50	222,828.50
Pacifica Radio Archives - Premium		173.25				173.25
Payroll Expenses					142,017.72	142,017.72
Protekt		6,253.21				6,253.21
Radio Research Consortium-Arbitron			3,455.00			3,455.00
Renee Lynn Medical Esthetics					136.64	136.64
Swanson			1,143.64			1,143.64
Time Warner Cable 388		777.19				777.19
Withdrawal					(500.00)	(500.00)
TOTAL	\$0.00	\$31,632.17	\$-22,573.32	\$0.00	\$998,246.25	\$1,007,305.10

Wednesday, Jul 21, 2021 12:22:17 PM GMT-7

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Pacifica Foundation Financial Narrative for June 2021

Financial Dashboard

Consolidated Report

Consolidated net operating gain or loss w/o depreciation: Net income YTD through June 30, 2021 is \$1M vs. (\$1854K) net income YTD as of last June showing an overall increase in income of \$1.1M. This is due to recognition of the first PPP loan of \$1.2M that was forgiven in full.

Total Revenue: Total revenue YTD through June 2021 is \$9.4M vs \$8.5M YTD June 2020, an increase of \$848K or 10%.

Total Expenses: Total expenses YTD through June 2021 are \$8.5M vs. \$8.8M YTD June 2020, a decrease of \$296K or 3%.

KPFA

KPFA shows income for the period of \$411K compared to prior YTD income of \$141K. (PPP \$343K)

KPFK

KPFK shows a loss for the period of \$91K compared to a prior YTD loss of \$316K. (PPP \$322K)

KPFT

KPFT shows a loss for the period of \$46K compared to a prior YTD loss of \$26K. (PPP \$35K)

WBAI

WBAI shows a loss for the period of \$13K compared to a prior YTD loss of \$176K. (PPP \$94K)

WPFW

WPFW shows income of \$194K for the period compared to prior YTD income of \$543. (PPP \$111K)

Profit & Loss Statement

Revenue

Total Revenue YTD through June 2021 is \$9.4M vs \$8.6M YTD June 2020, an increase of \$848K or 10%. (PPP \$1.2M)

Listener Support is above prior year at \$6.6M vs \$6.3M for June 2021, an increase of \$279K.

Major Donor Revenue for YTD through June 2021 is \$430K vs. \$447K YTD June 2020, a decrease of \$80K.

Donations for YTD through June 2021 is \$98K vs. \$777K YTD June 2020, a decrease of \$679K.

Total revenue by unit:

KPFA shows an increase of \$327K or 12% over FY20. (PPP \$365K)

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KPFFK shows an increase of \$1K or 0% over FY20. (PPP \$322K)

KPFT shows a decrease of \$66K or 12% over FY20. (PPP \$35K)

WBAI shows an increase of \$173K or 16% over FY20. (PPP \$94K)

WPFW shows an increase of \$222K or 21% over FY20. (PPP \$111K)

NO shows a decrease of \$39K or 7% over FY20. (PPP \$282K)

PRA shows an increase of \$50K or 43% over FY20. (PPP \$47K)

Expenses

Total Expenses through June 2021 are \$8.5M vs. \$8.8M YTD June 2020, a decrease of \$295K or 3%.

KPFA shows an increase of \$56K or 2% over FY20.

KPFFK shows a decrease of \$224K or 10% over FY20.

KPFT shows a decrease of \$46K or 10% over FY20.

WBAI shows an increase of \$9K or 1% over FY20.

WPFW shows an increase of \$58K or 6% over FY20.

NO shows a decrease of \$311K or 21% over FY20.

PRA shows no change over FY20.

Personnel expenses for the period October – June are \$231K less than FY20 at \$4.7M.

KPFA shows an increase of \$105K or 6% over FY20.

KPFFK shows a decrease of \$232K or 15% over FY20.

KPFT shows a decrease of \$32K or 16% over FY20.

WBAI shows a decrease of \$33K or 7% over FY20.

WPFW shows a decrease of \$35K or 7% over FY20.

NO shows a decrease of \$125K or 44% over FY20.

PRA shows no change over FY20.

Administrative expenses for YTD through June 2021 are \$2.2M vs \$2.3M YTD June 2020, a decrease of \$118K or 5%.

Programming expenses for YTD through June 2021 are \$710K vs \$643K YTD June 2020, an increase of \$67K or 10%.

Development expenses YTD through June 2021 are \$736K vs \$729K YTD June 2020, a decrease of \$7K or 1%.

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Community/Special Events expenses YTD through June 2021 are \$16K vs \$65K June 2020, a decrease of \$49K or 75%.

Net Income/Loss w/o Depreciation overall YTD through June 30, 2021 is \$1M vs. \$184K net loss YTD as of last June showing an overall increase in income of \$1.1M (PPP loan forgiveness \$1.2M).

KPFA YTD through June 2021 is \$411K vs \$141K in 2020, an increase of \$270K. (PPP \$365K)

KPFK YTD through June 2021 is (\$91K) vs (\$316K) in 2020, an increase of \$225K. (PPP \$322K)

KPFT YTD through June 2021 is (\$46K) vs (\$26K) in 2020, a decrease of \$20K. (PPP \$35K)

WBAI YTD through June 2021 is (\$13K) vs (\$176K) in 2020, an increase of \$164K. (PPP \$94K)

WPFW YTD through June 2021 is \$194K vs \$543 in 2020, an increase of \$194K. (PPP \$111K)

NO YTD through June 2021 is \$446K vs \$156K in 2020, an increase of \$290K. (PPP \$282K)

PRA YTD through June 2021 is \$86K vs \$36K in 2020, an increase of \$49K. (PPP \$111K)