

WBAI Treasurer's Report  
September 8, 2021

The local Finance Committee met on August 18, 2021. The National Finance Committee (NFC) met on August 24, 2021. Both of these meetings were held by teleconference.

On August 16, 2021, the National Finance Committee was informed that the second Paycheck Protection Plan (PPP) loan had been forgiven. WBAI got about \$94,000 from the forgiveness of the first PPP loan and the station should get the same amount of money converted from a loan to revenue from this. The money has already been received and spent, but now the books will show the original loan numbers as revenue.

At the August 18, 2021, local Finance Committee meeting the General Manager told the committee that the station had \$7,046 cash in bank. He said that the station was showing a deficit of about \$12,000. He said that up to June his numbers matched those from the National Educational Telecommunications Association (NETA). He said that the station's Accounts Payable amount to about \$1 million. He noted that much of the outstanding Accounts Payable consists of the Central Services fees owed to the National Office and the Pacifica Radio Archives (PRA). He said that the items that were the most important to pay attention to were that WBAI owes 4 Times Square, where the antenna and transmitter are located, about \$16,000. He said he hoped to catch up with 4 Times Square in the next month. He said that the station owed about three months of Health Benefits payments. He said the station owed about \$5,200 in rent for the studios. He said that the station had paid off a bunch of outstanding premiums. [A copy of the General Manager's Accounts Payable Ageing Summary is appended to this report.]

The General Manager said that the months of February and July did not work out well in terms of Listener Support with February showing only about \$51,000 and July only about \$68,000. He said that the shortfall has to do with available premiums. He said again that he has been working on Podcasting because Pacifica has not been doing anything on this. I again brought up the fact that two of us have informed the General Manager that the Pacifica Affiliates Network has been doing Podcasts for a while and has offered to help with doing them for Pacifica stations, but the General Manager has rejected that offer. He said that we can do advertising on Podcasts. I told him that any proposals for advertising done on Podcasts would need to be run by, and be approved by, Pacifica Management. He said that the LSB's Ad Hoc Fundraising Committee had fallen apart due to political issues. He said he has put out a request for *pro bono* grant writers. He said he's gotten advice that WBAI should advertise that people can leave bequests to the station.

I noted that the General Manager had complained about premiums. I said that a real solution to the revenue problem would be for the station to air programs that the listeners would be willing to donate for.

In answer to a question the General Manager said that only about 10% of the producers are posting anything to the station's pre-program announcements and program archives. He said that some interns work with some producers to do this, and that he is doing the archive blurbs for some programs. He said that more producers posting text into their program archives on WBAI.ORG would increase traffic on the Web site which ought to result in more revenue.

The General Manager said that he wanted to have all of the LSB information on WBAI.ORG. He said that because the LSB section of WBAI.ORG hasn't been upgraded properly that the station would take over that part of the Web site and populate it with information, but that eventually the LSB would have to do it. I pointed out to the General Manager that having posted LSB information to the WBAI.ORG site I know that it's very hard for anyone to find that LSB information on the Web site.

During a discussion of whether paid advertising on a WBAI Podcast could cause a problem with the Internal Revenue Service over Pacifica's non-profit status the General Manager said that those rules apply to broadcasting, not Podcasts and he said that other community radio stations are doing Podcasts with advertising and it's no problem.

There was a discussion of payments from the Subsidiary Communications Authorization (SCA) which

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allows radio stations to broadcast additional services on their signals, and the leasing of which WBAI and other Pacifica radio stations are engaged in with revenue going to the National Office. The General Manager said that SCA payments were “a dead issue” since he had made a presentation to the PNB about it, and it’s up to the National Office and PNB to decide about it now. A motion regarding getting the LSB to “direct” the Treasurer to start enquiries into this failed.

At this meeting the local Finance Committee continued going over the WBAI draft FY22 budget with the General Manager. The General Manager sent the committee an E-mail in which he said,

“I did my best to go over the expenses but it will take me some time to do so. Basically, I modified the revenue based on recent current events and a thorough review. I did the following based on our last conversation:

Today I would like a good discussion of the budget and possible approval of the revenue. I did my best to go over the expenses but it will take me some time to do so. Basically, I modified the revenue based on recent current events and a thorough review. I did the following based on our last conversation:

1. Eliminated Community Event      \$43,027.00  
- Gary Null opening next month was cancelled (brings usually \$12,000.00  
- SOB's 3 events - total \$17,000.00)
2. Eliminated David Rothenberg Theater Tickets      \$60,00000 (sic)
3. Eliminated Website Income      \$48,000.00  
- It is included in Listener income and because we do daily fundraising we can't really differentiate
4. Donation Below 1K      \$27,000.00  
- It is also included in Major Donor - Difficult to differentiate (All is included in Listener Support)

These changes bring the following:  
Listener Sponsor - Net \$1,015,596.00  
Total Revenue - Net \$1,337,055.00

As you can imagine, our deficit was initially projected at \$134,890.00 is now projected at \$301,583.00. That assumes no major grants or bequests. ....”

The General Manager said that he’d like the WBAI draft FY22 budget to be voted on at the next local Finance Committee meeting.

The General Manager is projecting about \$100,000 in Listener Support revenue per month.

In the course of discussions the General Manager said that the *Allegiance* fundraising Constituent Relationship Management (CRM) software had not processed BAI Buddy payments for seven days in July and it cost the station \$6,000 to \$7,000. He said that the WBAI Web master had written to those BAI Buddies who were effected and let them know that they’d be charged in August for the July and August donations.

After discussions regarding the lowering of pandemic restrictions the committee passed a motion to increase the revenue projection from the Broadway ticket donations and Community Events for the last six months of FY22 to show \$30,000 for the Broadway tickets and \$22,000 for Community Events, all contingent on the pandemic not causing another lock-down. (*It should be noted that as of the date of publication of this Treasurer’s Report, August 2021, is showing the worst numbers for positivity testing, hospitalizations and deaths from COVID-19 since March 2021.*)

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The committee also passed a motion to project BAI Buddy revenue in the FY22 draft budget to be \$17,000 per month.

The plan is to discuss the draft FY22 budget further at the next local Finance Committee meeting. The General Manager told the committee that Pacifica may call for more cuts in WBAI's budget.

At the August 24, 2021, NFC meeting the committee passed a motion to hold all or some of the next two NFC meetings in executive session because the NFC may have proprietary and confidential matters of Pacifica business to discuss.

The NFC also passed the following **Motion:** (James Sagurton) "Whereas Pacifica needs to know its short term cash position, therefore, be it resolved that the NFC recommends to the PNB that it direct the General Managers, Business Managers and Directors of each budgeted unit to update all entries for month end closing and provide NETA a check register electronically of everything that was paid for the month." (Passed without objection)

This motion attempts to alleviate a problem with NETA not being able to see what the financial situation of the radio stations, the National Office, the Pacifica Radio Archives and the Pacifica Affiliates Network are at any time. Previous Treasurer's Reports have related the issues involved. During this meeting the interim CFO said that KPFT still has not sent in the signed permission for NETA to get view-only access to KPFT's bank accounts. NETA has view-only access to WBAI's bank accounts.

The interim CFO said that the total outstanding owed to the National Office was about \$610,000 which she agreed is unsustainable. **While WBAI shows a surplus in Central Services to the National Office at the moment WBAI is in arrears to PRA for \$42,220 and in arrears for Health Benefits for \$20,000.**

Indicative of tensions within Pacifica, at this meeting the KPFA Treasurer tried to make a motion that the Chair of the PNB, who had come onto the call, not be allowed on the call. The KPFA Treasurer also used the word "padding" in relation to the Corporate Counsel's bills. For his part the PNB Chair asked how much of the legal bills are from lawsuits filed by people at KPFA, including the Chair of the KPFA LSB. The interim CFO said that she didn't know, but would get the committee that information.

Much of this NFC meeting was taken up with expenses in the KPFAK draft FY21 budget and where stations are in their preparations of their draft FY22 budget proposals.

Having the second PPP loan forgiven was good news. With the forgiveness of the second PPP loan WBAI has been the beneficiary of what one member of the local Finance Committee referred to as "sky money," that is money that has fallen almost magically from the sky for the station. Between the PPP revenue and the \$200,000 bequest that came in the station looks like it will have gotten nearly \$400,000 of such money that had fallen out of the sky. I've pointed out in previous Treasurer's Reports that this influx of revenue makes the stations look like they're doing better than they actually are, an alternative view by a member of the NFC is that the Pacifica stations really *have* been hit hard by the pandemic lockdowns and that this is exactly what the PPP loans, and the forgiveness of those loans, was made to compensate for. It's really time to look at how we're all going to get through FY22.

I'm still pessimistic. WBAI is going to project a deficit of about \$300,000 for FY22, and the Accounts Payable will continue to grow beyond \$1 million. The current on-air fund raising strategy is not making the station self-sustaining. The General Manager still thinks that more and better premiums are what will save the station. Meanwhile there are those trying to take over Pacifica through various artifices, probably with the plan to solve all of the financial problems by selling off WBAI. It isn't just because of chaotically ending foreign wars, a metamorphosing pandemic and domestic turmoil that one can say that we live in interesting times.

The next local Finance Committee meeting is scheduled for Wednesday, September 22, 2021, at 7:00 PM (ET). The next regular NFC meeting is scheduled for Tuesday September 14, 2021, at 8:30 PM (ET),

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although some or all of it may be in executive session. Both of these meetings will be held by teleconference.

R. Paul Martin  
WBAI LSB Treasurer

**Appendix**

The General Manager's Accounts Payable Ageing Summary

**WBAI 99.5 FM Radio Pacifica Foundation\_New**

A/P Aging Summary

As of August 18, 2021

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
4TS - 4 Times Square		16,290.61				\$16,290.61
Accrued Pension					109,114.58	\$109,114.58
B&H Photo				-293.96		\$ -293.96
Empire State Building					0.00	\$0.00
Gary Null & Associates			6,000.00		0.00	\$6,000.00
Hanna Worthy Simpson		986.00				\$986.00
Health Care Bill Back		9,898.78	9,898.78	9,898.78	110,775.97	\$140,472.31
James Irsay		700.00				\$700.00
Pacifica National Office - PNO				-14,210.00	427,993.62	\$413,783.62
Pacifica Radio Archives - PRA (Central Service)		4,222.00	4,222.00	4,222.00	218,606.50	\$231,272.50
Payroll Expenses					142,017.72	\$142,017.72
Radio Research Consortium - RRC - Arbitron				3,455.00		\$3,455.00
Renata Sato		362.50				\$362.50
Renee Lynn Medical Esthetics					136.64	\$136.64
Signius					0.00	\$0.00
Time Warner Cable 388		789.51				\$789.51
Withdrawal					-500.00	\$ -500.00
WPFW					0.00	\$0.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$33,249.40</b>	<b>\$20,120.78</b>	<b>\$3,071.82</b>	<b>\$1,008,145.03</b>	<b>\$1,064,587.03</b>