

WBAI Treasurer's Report  
October 13, 2021

The National Finance Committee (NFC) met on September 14, 21, and 28, and October 12, 2021. The local Finance Committee met on September 22, and October 6, 2021. All of these meetings were held by teleconference.

At the September 14, 2021, NFC meeting the committee voted to add an extra regular meeting to its schedule and to make provision for an executive session during that meeting. The Chair announced that the motion passed at the previous NFC meeting recommending 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 the National Educational Telecommunications Association (NETA) a check register electronically of everything that was paid for the month had been passed by the PNB.

The interim CFO discussed the National Office's outstanding Accounts Payable as of September 14, 2021. At that time Pacifica's Accounts Payable amounted to \$201,347.40. She said that she didn't think that Pacifica had paid off anything on that list since the last time she'd reported on it. She said that most of NETA's time had been spent preparing to meet the deadline for the Attorney General's report. She said that they had been going through boxes for data that they'd need for the long report. She said that they would meet the deadline. She said that NETA was preparing for the year-end, and they were waiting to schedule the audit, etc. She said that she would speak to the Business Managers about the check registers. She said that they would implement that on October 1. She said that she hoped that this would allow them plenty of time to get current, that it should allow them to get everything into the *Great Plains* software and for WBAI and WPFW to get the information into NETA's *MAS 500* software and then to do a consolidated report. She said that once NETA got the check registers they would be able to review and report any concerns.

I asked the interim CFO some questions at this meeting. Regarding the status of Pacifica's application for the Economic Injury Disaster Loan, which we have been told would amount to about \$2 million, the interim CFO said that the interim Executive Director had been working on it. The interim CFO said that she'd heard that the funds would be available. She said that she'd had an E-mail exchange with the interim Executive Director who said that the problem was that WBAI had applied for the Economic Injury Disaster Loan grant, and that she'd have to defer to the interim Executive Director about the Economic Injury Disaster Loan. I believe that since that happened General Managers have been required to run any grant they're applying for by the National Office before applying for it. In answer to another question I'd asked the interim CFO said that Pacifica has not applied for any grants since the audits had been done. The interim CFO said that she would have to check on two other questions regarding SCA payments and possible payments by WBAI to someone in Pacifica who had accompanied the rogue interim Executive Director and others in the illegal takeover of WBAI two years ago.

The interim CFO said that Pacifica's net income YTD through July 31, 2021, was about \$581,000 as opposed to a net loss of about \$584,00 as of last July which showed an overall increase in income of about \$1.2 million. She said that this was due to the first Paycheck

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Protection Program (PPP) loan of \$1.2 million being forgiven in full. She said that the second PPP loan was forgiven in August 2021, and would be reflected in those statements. (A copy of the interim CFO's "Pacifica Foundation Financial Narrative for July 2021" is appended to this report.)

Some of this meeting was taken up with discussions of the situation at KPFFK, which is very dire. Although the NFC had provided for an executive session at this meeting no executive session was held.

The financial crisis at KPFFK took up a lot of the September 21, 2021, NFC meeting. The interim CFO did say that cash at the National Office was low. She said that they had the cash necessary to pay some things that had to be paid like the FJC loan interest and insurance and other items. She said that the National Office had gotten some money from a couple of Central Services payments. Although the NFC had provided for an executive session at this meeting no executive session was held.

At the September 22, 2021, local Finance Committee meeting the General Manager told the committee that WBAI had \$14,270 cash in bank and \$630 in PayPal. He said that about \$7,000 in checks were returned because they were made out to WBAI and not to Pacifica. He said that about \$5,000 was in limbo in PayPal because a vendor had closed their account and he has to retrieve it. (A copy of the General Manager's "WBAI LSB Finance Committee Report – Sep 22, 2021" which includes the station's Accounts Payable is appended to this report.)

The General Manager said that WBAI is paying payroll, but that last month the National Office wanted it on a Friday and WBAI was short by \$1,306. He said that he'd sent that amount in on the following Monday. The General Manager said that WBAI usually shows a deficit of about \$26,000 per month. He said that this usually breaks down to about \$16,890 for National Office Central Services and \$4,222 for Pacifica Radio Archives (PRA) Central Services. He said that the thing we don't pay is Central Services fees which add up to about \$21,000 a month and there are about \$4,000 to \$5,000 a month in other things, but he said we pay everything else. He said that this year WBAI got a \$200,000 bequest and we paid Central Services. He said that as of July 31, 2021, NETA has WBAI owing about \$25,000. He said that by the time the August and September financials come in it would be closer to \$50,000. He said that August was good. He said that the on-air fund raiser goal was \$3,250 a day. He said that for September the station had made \$61,032 as of the date of this meeting, which was about \$10,000 short of goal. He said that the station was having some small problems with premiums. He said that he wanted producers to provide more premiums. He said that he and the interim Program Director are sick and tired of begging to get things done.

The General Manager said that WBAI needs grants writers and needs to raise social media revenue. He said that he was still trying to figure out how WBAI could raise revenue from podcasts. He said that when Pacifica was getting revenue from the Corporation for Public Broadcasting (CPB) that revenue was used to pay WBAI's Central Services fees. He said that on-air ticket donations were going well now that things are opening up.

The General Manager and I discussed podcasts. He said that the podcasting done by the

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Pacifica Affiliates Network (PAN) was outdated and that WBAI needed almost a full time person curating the podcasts.

The committee then turned to consideration of the WBAI draft FY22 budget. There were questions about consultants. The committee voted to meet in the very short time period of two weeks to complete the draft FY22 budget.

The September 28, 2021, NFC meeting started late because some members of the committee had come directly from an emergency PNB meeting that had been called at the last minute. Reviewing the KPFK draft FY22 budget that the NFC was creating for KPFK was the main agenda item. The NFC then voted to approve the KPFK draft FY21 budget. The committee then adjourned to an executive session. The Report out from that executive session was, "The NFC discussed financial and personnel issues of a confidential nature."

At the October 6, 2021, local Finance Committee meeting the committee continued discussing WBAI's draft FY22 budget. Since there had been a discussion of consultants at the previous meeting the General Manager sent the committee information on the paid consultants at WBAI. (A copy of the General Manager's "CONSULTANT" is appended to this report.) The committee went over the WBAI draft FY22 budget and there was a lot of discussion about the details. **The draft FY22 budget projects an end of year deficit of \$275,983.**

After a lot of questions, answers and suggestions the local Finance Committee passed the following **Motion**: "That the local Finance Committee send the draft FY22 budget to the LSB without a recommendation." (Passed without objection).

At the October 12, 2021, NFC meeting the Chair announced that there is no word yet on an approval of Pacifica's Emergency Injury Disaster Loan application.

The NFC went over the August financials which the interim CFO had sent to the committee before the meeting. I found that the way that the PPP revenue was being carried on the "Monthly Income Statement For the Eleven Months Ending August 31, 2021" was different from previous statements. In the statement for the period ending June 30, 2021, WBAI's PPP revenue listed on the line "Miscellaneous/Other Income" was \$93,946.23 for January. The latest statement covering the period through August 31, 2021, shows WBAI's January PPP revenue as \$126,557.47 and the August PPP revenue as \$129,157.96. It would be nice if WBAI had gotten about \$67,000 more than had previously been listed for the PPP revenue, but these numbers seem to be an accounting artifact. Other stations are also seeing different numbers for their PPP revenue. The NFC had a discussion about how the PPP revenue was being accounted for in this new way, and part of it has to do with the accountants wanting to put the January PPP revenue into FY20 and still keeping things balanced with regard to both the stations and the National Office. The interim CFO said that this would all be examined some more and that some of the income statement information might be restated.

The above referenced Income Statement from the interim CFO also shows WBAI with a surplus of \$81,552.87 as of August 31, 2021. When I asked the interim CFO about that she said that this surplus was with the PPP revenue, and that without the PPP revenue the station would

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be showing a deficit of about \$174,000. (A copy of the interim CFO's "Pacifica Foundation Financial Narrative for August 2021" is appended to this report.)

Pacifica and WBAI are still basking in the largesse created by the PPP revenue, now that the loans have been forgiven and the loans are listed as income. The NFC will be taking up all of the FY22 draft budgets soon. We'll see how all of that works out without PPP revenue.

Tonight the WBAI LSB will be considering the WBAI draft FY22 budget. I hope that we can have a good discussion about it and that LSB members will get a good understanding of how the General Manager hopes to get the station through the next year.

The next regular NFC meeting is scheduled for Tuesday October 26, 2021, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, November 17, 2021, at 7:00 PM (ET). Both of these meetings will be held by teleconference.

R. Paul Martin  
WBAI LSB Treasurer

## **Appendix**

Please note that there are two narratives from the interim CFO in the appendix of this report.

### **Pacifica Foundation Financial Narrative for July 2021**

#### **Financial Dashboard**

#### **Consolidated Report**

Consolidated net operating gain or loss without depreciation: Net income YTD through July 31, 2021 is \$581K vs. (\$584K) net income YTD as of last July showing an overall increase in income of \$1.2M. This is due to recognition of the first PPP loan of \$1.2M that was forgiven in full. PPP2 loan was forgiven in August 2021 and will be reflected in those statements.

Total Revenue: Total revenue YTD through July 2021 is \$10.1M vs \$9.1M YTD July 2020, an increase of \$1M or 11%.

Total Expenses: Total expenses YTD through July 2021 are \$9.6M vs. \$9.7M YTD July 2020, a decrease of \$122K or 1%.

#### **KPFA**

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KPFA shows income for the period of \$530K compared to prior YTD loss of \$12K. (PPP \$441K)

**KPFK**

KPFK shows a loss for the period of \$156K compared to a prior YTD loss of \$443K. (PPP \$394K)

**KPFT**

KPFT shows a loss for the period of \$48K compared to a prior YTD loss of \$50K. (PPP \$58K)

**WBAI**

WBAI shows a loss for the period of \$26K compared to a prior YTD loss of \$236K. (PPP \$127K)

**WPFW**

WPFW shows income of \$147K for the period compared to prior YTD loss of \$95K. (PPP \$141K)

**Profit & Loss Statement**

**Revenue**

**Total Revenue** YTD through July 2021 is \$10.1M vs \$9.1M YTD July 2020, an increase of \$1M or 11%. (PPP \$1.2M)

**Listener Support** is above prior year at \$7.1M vs \$6.7M for July 2021, an increase of \$350K.

**Major Donor Revenue** for YTD through July 2021 is \$497K vs. \$457K YTD July 2020, an increase of \$40K.

**Donations** for YTD through July 2021 is \$104K vs. \$786K YTD July 2020, a decrease of \$682K.

**Total revenue by unit:**

KPFA shows an increase of \$635K or 21% over FY20. (PPP \$441K)

KPFK shows an increase of \$43K or 2% over FY20. (PPP \$394K)

KPFT shows a decrease of \$36K or 6% over FY20. (PPP \$58K)

WBAI shows an increase of \$162K or 14% over FY20. (PPP \$127K)

WPFW shows an increase of \$283K or 24% over FY20. (PPP \$141K)

NO shows a decrease of \$279K or 46% over FY20. (PPP \$50K)

PRA shows an increase of \$55K or 48% over FY20. (PPP \$47K)

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**Expenses**

**Total Expenses** through July 2021 are \$9.6M vs. \$9.7M YTD July 2020, a decrease of \$122K or 1%.

KPFA shows an increase of \$93K or 4% over FY20.

KPFK shows a decrease of \$244K or 10% over FY20.

KPFT shows a decrease of \$38K or 8% over FY20.

WBAI shows a decrease of \$47K or 4% over FY20.

WPFW shows an increase of \$41K or 4% over FY20.

NO shows a decrease of \$144K or 9% over FY20.

PRA shows an increase of \$27K or 12% over FY20.

**Personnel** expenses for the period October – July are \$287K less than FY20 at \$5.2M.

KPFA shows an increase of \$115K or 6% over FY20.

KPFK shows a decrease of \$285K or 16% over FY20.

KPFT shows a decrease of \$38K or 18% over FY20.

WBAI shows a decrease of \$30K or 6% over FY20.

WPFW shows a decrease of \$48K or 8% over FY20.

NO shows a decrease of \$135K or 43% over FY20.

PRA shows an increase of \$21K or 11% over FY20.

**Administrative** expenses for YTD through July 2021 are \$2.6M vs \$2.5M YTD July 2020, an increase of \$771K or 3%.

**Programming** expenses for YTD through July 2021 are \$779K vs \$737K YTD July 2020, an increase of \$41K or 6%.

**Development** expenses YTD through July 2021 are \$877K vs \$829K YTD July 2020, an increase of \$48K or 6%.

**Community/Special Events** expenses YTD through July 2021 are \$17K vs \$66K July 2020, a decrease of \$49K or 75%.

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**Net Income/Loss without Depreciation** overall YTD through July 31, 2021 is \$581K vs. \$584K net loss YTD as of last July showing an overall increase in income of \$1.2M (PPP loan forgiveness \$1.2M).

KPFA YTD through July 2021 is \$530K vs (\$12K) in 2020, an increase of \$542K. (PPP \$441K)

KPFK YTD through July 2021 is (\$156K) vs (\$443K) in 2020, an increase of \$287K. (PPP \$394K)

KPFT YTD through July 2021 is (\$48K) vs (\$50K) in 2020, a decrease of \$2K. (PPP \$58K)

WBAI YTD through July 2021 is (\$26K) vs (\$236K) in 2020, an increase of \$210K. (PPP \$127K)

WPFW YTD through July 2021 is \$147K vs (\$95K) in 2020, an increase of \$242K. (PPP \$141K)

NO YTD through July 2021 is \$102K vs \$220K in 2020, a decrease of \$116K. (PPP \$50K)

PRA YTD through July 2021 is \$82K vs \$36K in 2020, an increase of \$45K. (PPP \$47K)



#### WBAI LSB Finance Committee Report – Sep 22, 2021

1. 2021-06-19: In Chase Bank: \$14,270.71 and \$630.78 in PayPal
2. Rent at 388 Atlantic (Office) \$5,300.00 is outstanding this month
3. 4 TIMES SQUARE \$16,601.83 is outstanding this month
4. Call Center Allegiance \$9,483.79 is outstanding

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5. PRA \$4,222.00 is outstanding
6. Central Service \$2,680.00 outstanding this fiscal year
7. Payroll is current
8. Healthcare Billback is paid
9. Phone and cable bills are current
10. Our consultants are paid up to date
11. WBAI Aging Summary below.

<b>WBAI 99.5 FM Radio Pacifica Foundation_New</b>						
<b>A/P Aging Summary</b>						
As of September 22, 2021						
	<b>Current</b>	<b>1 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>91 and over</b>	<b>Total</b>
4TS - 4 Times Square		16,601.83				16,601.83
Accrued Pension					109,114.58	109,114.58
ACD Direct, Inc.	9,483.79					9,483.79
American Arbitration Association		325.00				325.00
Associated Press, AP			328.88	328.88	328.88	986.64
B&H Photo					-293.96	-293.96
Health Care Bill Back		9,898.78	9,898.78	9,898.78	120,674.75	150,371.09
Itty Bitty Publishing		160.00				160.00
Pacifica National Office - PNO		2,680.00			427,993.62	430,673.62
Pacifica Radio Archives - (CS)		4,222.00	4,222.00	4,222.00	222,828.50	235,494.50
Pacifica Radio Archives - (Premium)			840.00			840.00
Payroll Expenses					142,017.72	142,017.72
RRC - Arbitron		3,455.00			3,455.00	6,910.00
Renata Sago		750.00				750.00
The Commons Foundation		5,300.00				5,300.00
Time Warner Cable 388		775.27	775.70	777.86		2,328.83
Tyrene Wright					164.40	164.40
Withdrawal					-500.00	-500.00
<b>TOTAL</b>	<b>\$9,483.79</b>	<b>\$44,167.88</b>	<b>\$16,065.36</b>	<b>\$15,227.52</b>	<b>\$1,025,783.49</b>	<b>\$1,110,728.04</b>

12. Profit and Loss – According to WBAI’s QuickBooks our P&L from 10/01/2020 to 05/31/2021 is -\$69,032.27. We average a deficit of 5,752.68 per month.

13. I continue to worry that our total reliance on Gary Null, Christine Blodale, Tony Bates and Mimi Rosenberg to make the money for us is not sustainable. We are

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encouraging producers to continue to pitch BAI Buddies and set a goal for every show they do without pre-emption. We are using Margaret Prescod more regularly and she is successfully raising funds.

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## **CONSULTANT**

These are included in the WBAI Budget

Chris LaPilusa - Webmaster - Admin - **\$2,500.00** monthly

Johanna Fernandez - Morning Show Host - Program **\$2,333.00** per month or **\$27,996.00** per year

- She is back teaching, and the following people will do the morning show - one day each

- Monday - Bob Hennelly (Programming) **\$500.00** per month
- Tuesday - Frenchie Davis (Programming) **\$500.00** per month
- Wednesday - Rebecca Myles (Programming) **\$500.00** per month
- Thursday - Felipe Luciano (Programming) **\$500.00** per month

### **It is a wash**

Ludwig Downing - Morning Show Host – Program **\$2,333.00** monthly or **\$27,996.00** per year

Jesse Lent - Booker – Programming **\$2,000.00** monthly or **\$24,000.00** per year

Development Director – Development **\$5,000.00** per month or **\$60,000.00** per year

Mail Clerk – Admin - **\$200.00** per month or **\$2,400.00** per year

**Total Consultants in the Salary line of Budget: \$14,366.00** monthly or **\$172,392.00** per Year

### **The following get paid consistently:**

Christine Blodale - Fund drive – Development - **\$4,000.00** monthly or **\$48,000.00** yearly

Hanna Worthy-Simpson - Helps with the various tasks the Development Director used to do – Development **\$2,000.00** per month or **\$24,000.00** yearly

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Giovanni Angling - Back-Up for Board Operation – Operation **\$1,000.00**  
Nancy Giscombe - Newsletter / Graphics – Development (part of Andrea’s job)  
**\$750.00** monthly or **\$9,000.00** per year

**Sporadic payment:**

James Irsay - Back-Up for Board Operation - Operation  
Paul DeRienzo - News anchor - Programming - Stringer  
Angela Palumbo - Social Media - Development (Posted against restricted  
account - \$6,000.00 donation from Seth Goldberg)  
Kathy Davis - Fund drive - Development  
Tony Bates - Fund drive - Development  
Darren L Kleinau - Gets paid for Tony Bates - Fund drive - Development  
Ashley Clark - Gets paid for Tony Bates - Fund Drive - Development

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**Pacifica Foundation Financial Narrative for August 2021**

**Financial Dashboard**

**Consolidated Report**

Consolidated net operating gain or loss w/o depreciation: Net income YTD through August 31, 2021 is \$389K vs. (\$526K) net income YTD as of last August showing an overall increase in income of \$915K. This is due to recognition of the second PPP loan of \$1.2M that was forgiven in full. PPP1 loan was forgiven in December 2020 and accrued in to FY20 during the audit.

Total Revenue: Total revenue YTD through August 2021 is \$10.8M vs \$10M YTD August 2020, an increase of \$770K or 14%.

Total Expenses: Total expenses YTD through August 2021 are \$10.4M vs. \$10.6M YTD August 2020, a decrease of \$150K or 1%.

**KPFA**

KPFA shows income for the period of \$820K compared to prior YTD loss of \$58K. (PPP1 \$441K; PPP2 \$450K)

**KPFK**

KPFK shows income for the period of \$143K compared to a prior YTD loss of \$473K. (PPP1 \$394K; PPP2 \$342K)

**KPFT**

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KPFT shows a loss for the period of \$3K compared to a prior YTD loss of \$6K. (PPP1 \$58K; PPP2 \$59K)

**WBAI**

WBAI shows income for the period of \$82K compared to a prior YTD loss of \$357K. (PPP1 \$127K; PPP2 \$129K)

**WPFW**

WPFW shows income of \$312K for the period compared to prior YTD loss of \$25K. (PPP1 \$141K; PPP2 \$132K)

**Profit & Loss Statement**

**Revenue**

**Total Revenue** YTD through August 2021 is \$10.8M vs \$10M YTD August 2020, an increase of \$770K or 14%. (PPP \$1.2M)

**Listener Support** is above prior year at \$7.6M vs \$7.3M for August 2021, an increase of \$308K.

**Major Donor Revenue** for YTD through August 2021 is \$515K vs. \$592K YTD August 2020, a decrease of \$78K.

**Donations** for YTD through August 2021 is \$108K vs. \$860K YTD August 2020, a decrease of \$752K.

**Total revenue by unit:**

KPFA shows an increase of \$950K or 29% over FY20. (PPP1 \$441K; PPP2 \$450K)

KPFK shows an increase of \$356K or 13% over FY20. (PPP1 \$394K; PPP2 \$342K)

KPFT shows a decrease of \$40K or 6% over FY20. (PPP1 \$58K; PPP2 \$59K)

WBAI shows an increase of \$356K or 29% over FY20. (PPP1 \$127K; PPP2 \$129K)

WPFW shows an increase of \$382K or 28% over FY20. (PPP1 \$141K; PPP2 \$132K)

NO shows a decrease of \$1.5M or 226% over FY20. (PPP1 \$58K; PPP2 \$35K) (Auditors only affected PNO for accrual of PPP1 so offset to show unit income results in large loss here)

PRA shows an increase of \$101K or 81% over FY20. (PPP1 \$47K; PPP2 \$48K)

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**Expenses**

**Total Expenses** through August 2021 are \$10.4M vs. \$10.6M YTD August 2020, a decrease of \$150K or 1%.

KPFA shows an increase of \$188K or 7% over FY20.

KPFK shows a decrease of \$265K or 10% over FY20.

KPFT shows a decrease of \$43K or 8% over FY20.

WBAI shows a decrease of \$82K or 6% over FY20.

WPFW shows an increase of \$44K or 4% over FY20.

NO shows a decrease of \$190K or 11% over FY20.

PRA shows a decrease of \$2K or 1% over FY20.

**Personnel** expenses for the period October – August are \$241K less than FY20 at \$5.7M.

KPFA shows an increase of \$169K or 8% over FY20.

KPFK shows a decrease of \$323K or 16% over FY20.

KPFT shows a decrease of \$40K or 17% over FY20.

WBAI shows a decrease of \$24K or 4% over FY20.

WPFW shows a decrease of \$49K or 8% over FY20.

NO shows a decrease of \$126K or 38% over FY20.

PRA shows a decrease of \$5K or 2% over FY20.

**Administrative** expenses for YTD through August 2021 are \$2.7M vs \$2.8M YTD August 2020, a decrease of \$70K or 2%.

**Programming** expenses for YTD through August 2021 are \$855K vs \$762K YTD August 2020, an increase of \$93K or 12%.

**Development** expenses YTD through August 2021 are \$929K vs \$889K YTD August 2020, an increase of \$39K or 4%.

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**Community/Special Events** expenses YTD through August 2021 are \$18K vs \$67K August 2020, a decrease of \$49K or 74%.

**Net Income/Loss w/o Depreciation** overall YTD through August 31, 2021 is \$389K vs. \$526K net loss YTD as of last August showing an overall increase in income of \$915K (PPP loan forgiveness \$1.2M).

KPFA YTD through August 2021 is \$820K vs \$58K in 2020, an increase of \$763K. (PPP1 \$441K; PPP2 \$450K)

KPFK YTD through August 2021 is \$143K vs (\$473K) in 2020, an increase of \$616K. (PPP1 \$394K; PPP2 \$342K)

KPFT YTD through August 2021 is (\$3K) vs (\$6K) in 2020, a decrease of \$3K. (PPP1 \$58K; PPP2 \$59K)

WBAI YTD through August 2021 is \$82K vs (\$357K) in 2020, an increase of \$439K. (PPP1 \$127K; PPP2 \$129K)

WPFW YTD through August 2021 is \$313K vs (\$25K) in 2020, an increase of \$338K. (PPP1 \$141K; PPP2 \$132K)

NO YTD through August 2021 is (\$1M) vs \$247K in 2020, a decrease of \$1.3M. (PPP1 \$58K; PPP2 \$35K) (Auditors only affected PNO for accrual of PPP1 so offset to show unit income results in large loss here)

PRA YTD through August 2021 is \$133K vs \$30K in 2020, an increase of \$103K. (PPP1 \$47K; PPP2 \$48K)