

WBAI Treasurer's Report
December 8, 2021

The local Finance Committee met on November 17, 2021. The National Finance Committee (NFC) met on November 30, 2021. Both of these meetings were held by teleconference.

At the November 17, 2021 local Finance Committee meeting the General Manager told the committee that WBAI was not doing too well as far as on-air fund raising was concerned because there were no new premiums being offered. He said that at that time the station owed 4 Times Square the Tower Rent for October and November which amounted to about \$33,000 and that the station owed the rent on the studio space at 388 Atlantic Ave. (A copy of the General Manager's Accounts Payable Aging Summary is appended to this report.) The General Manager said that the Tower Rent and Studio Rent were the two major items that the station owed that were troublesome but that considering that the station wasn't doing that well at that time it was actually pretty decent. WBAI's total Accounts Payable was \$1,079,872 at the time of this meeting. The General Manager said that the problem the station had was that it didn't have enough premiums. He said he was talking to grant writers and looking for other ways of raising money. He said that a number of premiums did not do well and because of that the station is in trouble. He said that he was sending out the 2022, 52 Week schedule to producers and telling everyone what he expected of them.

In answer to a question the General Manager said that he expected WBAI to end FY21 with a deficit of about \$65,000.

In answer to a question asking if consideration has been given to changing from premium driven on-air fund raising to pitching program content as the reason to donate the General Manager said that the bottom line is that premiums are how the station makes money. He said that the station needed an on-air fund raiser coordinator because the interim Program Director and he were getting exhausted.

In answer to a question about letting all of the available premiums on the Web site be visible so people could pledge for them the General Manager said that we shouldn't focus on issues that were irrelevant and that premiums pledged for that are not pitched on the air almost count for nothing. He said he was not willing to put all of the thousands of uncleaned-up premiums back, and that those premiums are not why we're not making money. He said the few people working at WBAI have to focus their time on things that bring in the most revenue for the time invested.

At the, November 30, 2021, NFC meeting the committee reviewed the year-end September 2021, financials. The NFC Chair said that, "We did not have the year end September Financials for review until now because the necessary information had not been received from the stations in a timely manner." WBAI was not one of those stations that was tardy in providing the necessary information.

The NFC scheduled an executive session segment of its December 14, 2021, meeting to discuss the confidential Management Letter from the auditors if the Audit Committee doesn't do it.

The interim CFO said that the National Educational Telecommunications Association (NETA) would be applying for the remaining \$1.5 Million that Pacifica was eligible for in the Economic Injury Disaster Loan (EIDL). She said that the Small Business Administration (SBA) wanted to see a copy of Pacifica's FY20 990 form *from* the Internal Revenue Service, and that had been sent to them. She said that she was hoping that Pacifica would get the money in three to four weeks. She said that NETA is making sure that the SBA has all the financial information they need.

The interim CFO said that NETA has the engagement letter from the auditors that had gone to the interim Executive Director. She said that they are going to give the auditors the date for the start of the FY21 audit, and that the audit will probably start after the New Year holiday. She said that NETA was working closely with the stations with regard to cash flow and that all of the stations did make payroll for the last pay period. She said that the EIDL will be important.

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At this meeting **the interim CFO brought up the issue of WBAI being two months behind on paying the Tower Rent to 4 Times Square. She said that the WBAI General Manager was concerned that if the station became three months behind in its rent payments that 4 Times Square could take the station off the air.** She said that she was talking to the interim Executive Director to make sure that this doesn't happen and to see how NETA can help. The NFC Chair said that the WBAI General Manager said that he could work something out with 4 Times Square. The interim CFO said that money is being cobbled together to catch up on the Tower Rent.

As a part of her report **the interim CFO also said that WBAI was four to five months behind on paying health insurance premiums,** and the station has not been able to pay its Central Services fees. It is to be noted that in the WBAI General Manager's Accounts Payable Aging Summary he lists the amount owed for health care premiums as about \$150,000 as of November 17. She said that NETA has been in communication with the health care provider and that they will let us know if they have to send out letters to employees saying coverage has been terminated due to WBAI not paying the health insurance premiums for so long. She also mentioned KPFK's current financial problems which could affect WBAI's ability to borrow money from other stations.

The NFC went over the preliminary numbers through the end of September. This spreadsheet shows WBAI ending FY21 with a net surplus of about \$61,000 as opposed to ending FY20 with a net loss of about \$380,000. This is the first time WBAI has finished a fiscal year in the black, even with preliminary figures, in a long time. What must be kept in mind, however, is that this figure is bolstered by approximately \$256,000 from the Paycheck Protection Program (PPP) and a bequest of about \$200,000. (A copy of the interim CFO's "Pacifica Foundation Financial Narrative for September 2021" is appended to this report.) The interim CFO commented during this meeting that with regard to a number of things in Pacifica, cash flow gives you the true picture.

So WBAI is posting a preliminary surplus of about \$61,000 for FY21, while at the same time having to scramble to remain only two months behind on paying the Tower Rent, and months of arrears on paying health insurance premiums. In addition, **for the first two months of FY22 WBAI owes the following:**

Central Services	\$50,427
PRA Central Services	\$12,666
Health Benefit Costs	\$23,067.94

Which adds up to around \$85,000 when you take into account a small amount of surplus for payroll. In addition the General Manager is not finding enough premiums to fuel the 52 Week schedule he has set up for pitching. The General Manager recently sent out a couple of E-mails telling Staff that all programs will need to pitch for about one third of their air time to supplement the 52 Week revenue, mostly so that the station can catch up with payments to 4 Times Square.

So the bottom line for FY21 may look good in some ways, but in terms of cash flow it's problematic, and FY22 has already started out with serious deficits for WBAI. There will probably be no PPP revenue in FY22. If Pacifica gets what is expected from the EIDL that will help both WBAI and KPFK, but that loan money will do nothing to alleviate WBAI's chronic cash flow problem, and of course the EIDL will have to be paid back eventually. Even after the major injections of cash in FY21 WBAI is not starting out FY22 well. I'm sure that the Tower Rent and health care premiums will get paid, but that will only come about because of extra pitching and maybe some help from Pacifica. The WBAI draft FY22 budget is projecting an end-of-year deficit of \$275,983. I am pessimistic about the future of the station.

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The next regular NFC meeting is scheduled for Tuesday December 14, 2021, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, January 5, 2022, at 7:00 PM (ET). Both of these meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer

Appendix

WBAI 99.5 FM Radio Pacifica Foundation_New A/P Aging Summary As of November 17, 2021

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
4TS - 4 Times Square		16,549.75	16,469.99			33,019.74
Accrued Pension					47,500.00	47,500.00
ACD Direct, Inc.			9,483.79			9,483.79
Amazon.com		231.03				231.03
B&H Photo					-293.96	-293.96
Clean Water Revival				3,775.00		3,775.00
Empire State Building					0.00	0.00
Gary Null & Associates					0.00	0.00
Hanna Worthy Simpson		1,500.00				1,500.00
Health Care Bill Back			9,838.77		140,472.31	150,311.08
Itty Bitty Publishing				160.00		160.00
Lylburn Downing		1,166.67	1,166.67			2,333.34
NFCB	3,875.00					3,875.00
Pacifica National Office - PNO				2,680.00	427,993.62	430,673.62
PRA (Central Service)			4,222.00	4,222.00	231,272.50	239,716.50
PRA (Premium)					840.00	840.00
Payroll Expenses		864.90	1,607.74		142,017.72	144,490.36
Protekt		2,974.11				2,974.11
RRC - Arbitron				3,455.00		3,455.00
Rebecca Myles		250.00				250.00
Signius					0.00	0.00
Time Warner Cable 388				775.27	2.59	777.86
The Commons		5,300.00				5,300.00
Withdrawal					-500.00	-500.00
WPFW					0.00	0.00
TOTAL	\$3,875.00	\$28,836.46	\$42,788.96	\$15,067.27	\$989,304.78	\$1,079,872.47

Wednesday, Nov 17, 2021 04:28:48 PM GMT-8

Pacifica Foundation Financial Narrative for September 2021

Financial Dashboard

Consolidated Report

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Consolidated net operating gain or loss w/o depreciation: Net income YTD through September 30, 2021 is \$308K vs. \$900K net income YTD as of last September showing an overall decrease in income of \$592K. 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 September 2021 is \$11.8M vs \$12.4M YTD September 2020, a decrease of \$622K or 39%.

Total Expenses: Total expenses YTD through September 2021 are \$11.46M vs. \$11.49M YTD September 2020, a decrease of \$30K or 0%.

KPFA

KPFA shows income for the period of \$1.2M compared to prior YTD income of \$57K. (PPP1 \$441K; PPP2 \$450K)

KPFB

KPFB shows a loss for the period of \$53K compared to a prior YTD loss of \$640K. (PPP1 \$394K; PPP2 \$342K)

KPFT

KPFT shows a loss for the period of \$75K compared to a prior YTD loss of \$36K. (PPP1 \$58K; PPP2 \$59K)

WBAI

WBAI shows income for the period of \$61K compared to a prior YTD loss of \$380K. (PPP1 \$127K; PPP2 \$129K)

WPFW

WPFW shows income of \$215K for the period compared to prior YTD loss of \$102K. (PPP1 \$141K; PPP2 \$132K)

Profit & Loss Statement

Revenue

Total Revenue YTD through September 2021 is \$11.8M vs \$12.4M YTD September 2020, a decrease of \$623K or 39%. (PPP \$1.2M)

Listener Support is above prior year at \$8.2M vs \$7.8M for September 2021, an increase of \$416K.

Major Donor Revenue for YTD through September 2021 is \$810K vs. \$582K YTD September 2020, an increase of \$228K.

Donations for YTD through September 2021 is \$200K vs. \$866K YTD September 2020, a decrease of \$665K.

Total revenue by unit:

KPFA shows an increase of \$1.29M or 36% over FY20. (PPP1 \$441K; PPP2 \$450K)

KPFB shows an increase of \$327K or 12% over FY20. (PPP1 \$394K; PPP2 \$342K)

KPFT shows a decrease of \$42K or 6% over FY20. (PPP1 \$58K; PPP2 \$59K)

WBAI shows an increase of \$360K or 27% over FY20. (PPP1 \$127K; PPP2 \$129K)

WPFW shows an increase of \$369K or 26% over FY20. (PPP1 \$141K; PPP2 \$132K)

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NO shows a decrease of \$3.3M or 135% 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 \$94K or 68% over FY20. (PPP1 \$47K; PPP2 \$48K)

Expenses

Total Expenses through September 2021 are \$11.46M vs. \$11.49M YTD September 2020, a decrease of \$30K or 0%.

KPFA shows an increase of \$170K or 6% over FY20.

KPFK shows a decrease of \$260K or 9% over FY20.

KPFT shows a decrease of \$3K or 1% over FY20.

WBAI shows a decrease of \$81K or 5% over FY20.

WPFW shows an increase of \$52K or 4% over FY20.

NO shows a decrease of \$137K or 7% over FY20.

PRA shows an increase of \$3K or 1% over FY20.

Personnel expenses for the period October – September are \$225K less than FY20 at \$6.2M.

KPFA shows an increase of \$149K or 7% over FY20.

KPFK shows a decrease of \$339K or 17% over FY20.

KPFT shows a decrease of \$36K or 14% over FY20.

WBAI shows a decrease of \$1K or 0% over FY20.

WPFW shows a decrease of \$31K or 5% over FY20.

NO shows a decrease of \$129K or 37% over FY20.

PRA shows a decrease of \$705 or 0% over FY20.

Administrative expenses for YTD through September 2021 are \$3.02M vs \$3.05M YTD September 2020, a decrease of \$25K or 1%.

Programming expenses for YTD through September 2021 are \$963K vs \$865K YTD September 2020, an increase of \$98K or 10%.

Development expenses YTD through September 2021 are \$1M vs \$953K YTD September 2020, an increase of \$58K or 6%.

Community/Special Events expenses YTD through September 2021 are \$20K vs \$70K September 2020, a decrease of \$50K or 72%.

Net Income/Loss w/o Depreciation overall YTD through September 31, 2021 is \$308K vs. \$900K net income YTD as of last September showing an overall decrease in income of \$592K (PPP loan forgiveness \$1.2M).

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KPFA YTD through September 2021 is \$1.2M vs \$57K in 2020, an increase of \$1.1M. (PPP1 \$441K; PPP2 \$450K)

KPFB YTD through September 2021 is (\$53K) vs (\$640K) in 2020, an increase of \$587K. (PPP1 \$394K; PPP2 \$342K)

KPFT YTD through September 2021 is (\$75K) vs (\$36K) in 2020, a decrease of \$39K. (PPP1 \$58K; PPP2 \$59K)

WBAI YTD through September 2021 is \$61K vs (\$380K) in 2020, an increase of \$441K. (PPP1 \$127K; PPP2 \$129K)

WPFW YTD through September 2021 is \$215K vs (\$102K) in 2020, an increase of \$317K. (PPP1 \$141K; PPP2 \$132K)

NO YTD through September 2021 is (\$1.1M) vs \$2M in 2020, a decrease of \$3.1M. (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 September 2021 is \$125K vs \$34K in 2020, an increase of \$91K. (PPP1 \$47K; PPP2 \$48K)