

WBAI Treasurer's Report
May 11, 2022

The local Finance Committee met on April 20, 2022. The National Finance Committee (NFC) met on May 10, 2022. Both of these meetings were held by teleconference.

At the April 20, 2022, local Finance Committee meeting the General Manager told the committee that WBAI's current Accounts Payable amounted to \$1,171,624.81. He then told the committee that WBAI is current on most of its bills. The General Manager sent the committee some financial documents just before 8:00 PM, he then began a verbal report and sent another financial document during his report and another one after his report. (A copy of the General Manager's "WBAI 99.5 FM Radio Pacifica Foundation_New A/P Aging Summary As of April 20, 2022" is appended to this report.) He said that WBAI has paid all of its operating bills except for Central Services and about two months of Health Care Bill Back. He said that Central Services fees were about 70% of WBAI's outstanding bills. He said that the station was on track to pay 4 Times Square (Tower Rent) for April and to make payroll on April 30. He said that WBAI had \$16,048.43 cash in bank at that time. He told the committee that he had not seen the financials from NETA through the end of February and asked that they be sent them to him; James Sagurton said he'd send them. The General Manager said that the steps that Management has been taking to address listenership seem to be working. He said that the 6:00 AM to 7:00 AM weekday morning strip was averaging about 800 listeners, which he said was pretty good. He said that for the month of March that strip was doing better than *Democracy Now!* He said that the pitching for Woman's History Month had gotten WBAI more than 40 new BAI Buddies. He said that Director James Sagurton and he have been calling about 365 lapsed BAI Buddies. He complained to the committee that producers aren't making enough premiums.

The General Manager said that WBAI was averaging "only" about \$71,000 a year short on its Central Services payments. He also noted that Pacifica has never credited WBAI for a bequest of about \$580,000 that came in from a WBAI listener in July 2019. I'll note that both the Chair of the NFC James Sagurton and I have argued this point about the July 2019, donation to the NFC, NETA and Pacifica Management in the past. (A copy of the General Manager's "WBAI - Central Service Payment Tracking" is appended to this report.)

There was a discussion of the committee's long standing request that the General Manager send the committee information on cash in bank, cash received, cash out, Accounts Receivable, Accounts Payable and updates on any bequests a couple of days before each local Finance Committee meeting. The General Manager said that he does send the committee some of that information.

The General Manager told the committee that there is a bequest of about \$5,000 coming to WBAI.

The committee was told that some attendees of the WBAI Community Advisory Board had suggested the creation of a non-profit to make T-shirts for WBAI and maybe get people to donate to that. Other suggestions for fund raising were brought up.

There was a discussion about the same people who have tried to hijack Pacifica via bylaws amendments now putting forth a motion to make WBAI a repeater station.

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A good part of the May 10, 2022, NFC meeting was taken up with the Pacifica Radio Archives (PRA) draft FY22 budget proposal. But a surprise topic cropped up.

The Executive Director said that she is looking at all options regarding increasing revenue for Pacifica. She said she's looking at long and short term strategic plans with the PNB's Strategic Planning Committee. She said that for long term strategies she's looking at increasing Pacifica's presence on social media and creating the Pacifica brand. She's also looking at things like centralizing the management of Web sites and newsletters and monetizing the archives. She noted that there are continuing issues with cash and cash flow in Pacifica. She then said that just because she's talking about specific short term strategies that doesn't necessarily mean that they're something that is going to be done, but she said that they need to be looked at. She said that some short term strategies being discussed are:

- Declaring bankruptcy and Chapter 11
- Signal swapping
- Going into receivership
- Turning some stations into repeater stations
- Selling real estate.

Regarding signal swapping she noted that KPFK's signal is of great value and some other stations would be interested in swapping for it.

In her report the Executive Director informed the NFC that the day before the meeting the Internal Revenue Service (IRS) had taken about \$93,000 from Pacifica bank accounts, apparently for unpaid taxes. She said that the IRS had hit four Pacifica bank accounts including ones for the National Office, KPFT and PRA. She said that she'd spent the day trying to see what the IRS was doing this for. She noted that payroll must be made in the next couple of days and that it needs to be figured out how that will be done with some station bank accounts being depleted. She said that there was also concern that any outstanding checks may bounce. She said that she's been talking with IRS people and that some of the money can be recovered as a sort of loan some stations can get to cover this seizure of funds.

The CFO said that the seizure may be a penalty for a tax return that was not filed some time in 2016. A number of senior people from NETA are working on finding out what this is about. She said that the IRS doesn't tell you what they claim you did wrong, you have to guess and then they'll confirm the guess, if you get it right. She said that she thinks this is related to a 2016, remittance to the IRS that was a backup withholding of some sort. She doesn't know if it was a 1099, which would be unusual, or something to do with a pension plan.

The Executive Director said that the Human Resources Director is looking to talk to a person who would have been handling this sort of issue from that time. The CFO said that she has scoured E-mail accounts and Pacifica files trying to find information about this part of the problem and she couldn't find anything. She said that it looked like a remittance was made to the IRS but that the end of year tax form was not submitted in 2016. The CFO said that she and other NETA people are reaching out to see if Pacifica did pay the IRS anything in 2016. She said that a quick search found that there was one check issued out of the National Office for more than

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\$2,000 and that it appears that around \$9,000 was remitted, but they can't substantiate what that was for. The CFO said that Pacifica Management and NETA people need to talk to the IRS, but it's hard to contact them. She said that they must confirm that the IRS accepted that return and see if we can get money back.

The CFO said that we did get notices from the IRS but she didn't know when they started. She said that Pacifica has to file a request for payee returns for 2016. It looks like someone working in Pacifica at that time had not filed the forms with the IRS at the end of 2016. A complicating factor here is that Pacifica did not engage with NETA until the Summer of 2018, so NETA has to research what happened in Pacifica in 2016. They would have no internal NETA documents related to Pacifica's actions in 2016.

To make things worse the IRS "over funded" its lien. The IRS had notified multiple banks with which Pacifica has accounts that they wanted to seize the money. The entire amount that the IRS was looking to seize came out of a Bank of America account that the National Office uses, but Wells-Fargo also removed about \$43,000 to \$44,000 from accounts held by PRA and KPFT. The CFO said she would get out a written report on this development in the next two weeks.

During discussions of the PRA draft FY22 budget the PRA Director noted that KPFK, WBAI and KPFT were not paying their full Central Services fees to PRA and this was a problem. He said that the WBAI General Manager had reached out to him and asked him to do a monthly on-air fund raiser for PRA on WBAI where funds would go straight to PRA. The PRA Director said that they only have four Staff people now and it would be stressful for them to do on-air fund raisers on top of their other work. I don't know that he's completely closing the door on this proposal, however. The CFO said that PRA was owed about \$240,000 in unpaid Central Services fees from all of the Pacifica stations over the past two to three years.

The CFO sent out a Monthly Income Statement For the Six Months Ending Thursday, March 31, 2022, which *preliminarily* shows WBAI with a deficit of \$193,800. The CFO sent out a summary that shows that compared to March of 2021, WBAI's revenue is up 10% while the station's expenses are up 6%, but she notes that the station is still experiencing cash problems.

So with everything else going on in Pacifica the IRS has stepped in to cause a bit of chaos. Pacifica Management and NETA are still trying to find out what's happening with that, and it's possible that the entire \$93,000 might be recovered, but it may take time. It's not clear yet if Pacifica actually owed money to the IRS or if this seizure was all caused because someone forgot to check off a box on a form. We may know more in two weeks.

The Executive Director is looking at some solutions to the short term cash problems that are plaguing the network and some of those solutions sound really terrible. We have to hope that they're not what gets done.

Meanwhile two people from KPFA are actively trying to get the Federal Communications Commission to deny WBAI's license renewal application! These are people related to the bylaws hijacking referendum that some of them are still trying to get a court to say they won. Talk about destructive people. I suspect that the attempt to deny the renewal of WBAI's license will fail. The hijackers have only gotten three people from the WBAI listening area to sign onto their petition

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to deny the license renewal. We've faced opposition to WBAI's license being renewed in the past. That sort of thing comes with doing radio that isn't programmed by billionaires and multi-national corporations.

It's good that WBAI has had higher revenue than a year ago. It's bad that WBAI has a \$193,800 deficit. It's also bad that revenue is down in most of the rest of Pacifica. The IRS has shown us that even when things are difficult you can always get hit by something unexpected, and unwelcome.

I am still pessimistic. The Executive Director may find solutions to the cash crunch in Pacifica that are not great for WBAI. Let's hope we can tip-toe through this mine field.

The next NFC meeting is scheduled for Tuesday May 24, 2022, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, May 18, 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 April 20, 2022						
	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
ACD Direct, Inc.	6,943.13				7,577.73	14,520.86
BMI Music Square				4,662.00		4,662.00
Christine Blodale			1,500.00			1,500.00
Foster Garvey PC		725.00				725.00
Health Care Bill Back	11,548.50		2,013.90		169,988.62	183,551.02
Linda Sarsour		375.00				375.00
Lylburn Downing			1,166.67	2,333.34		3,500.01
NFCB					3,875.00	3,875.00
Pacifica National Office - PNO		16,890.00	16,890.00	16,890.00	498,233.62	548,903.62
PRA (Central Service)		4,222.00	4,222.00	4,222.00	252,382.50	265,048.50
Payroll Expenses					145,088.80	145,088.80
Rebecca Myles				250.00	125.00	375.00
Withdrawal					(500.00)	(500.00)
TOTAL	18,491.63	22,212.00	25,792.57	28,357.34	1,076,771.27	1,171,624.81

Wednesday, Apr 20, 2022 04:35:28 PM GMT-7

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WBAI - Central Service Payment Tracking					
From	To	Bill	Paid	Owe	Average not Paid in past 5 years
10/1/16	9/30/17	\$202,680.00	\$133,410.78	\$69,269.22	
10/1/17	9/30/18	\$202,680.00	\$118,230.00	\$84,450.00	
10/1/18	9/30/19	\$202,680.00	\$67,560.00	\$135,120.00	
10/1/19	9/30/20	\$202,680.00	\$139,154.40	\$63,525.60	
10/1/20	9/30/21	\$202,680.00	\$200,000.00	\$2,680.00	
Total		\$1,013,400.00	\$658,355.18	\$355,044.82	\$71,008.96
Bequest	7/13/19		\$580,017.42		WBAI gets no credit because WBAI listener Bequested money to Pacifica (because of WBAI)

Below is the CFO's tally for stations' Central Services payments and health insurance payments.

PACIFICA STATION PAYMENTS													TOTAL FOR	LESS	UNPAID
CENTRAL SERVICES													PERIOD	PAID	CENTRAL SVC
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUGUST	SEPTEMBER			
KPFA		34,666.00	69,332.00	29,000.00	38,833.00	18,832.00	34,666.00	17,333.00					277,328	242,662	34,666
KPFK													294,632	-	294,632
KPFT													95,072	-	95,072
WBAI													134,472	-	134,472
WPFW	15,307.00	15,307.00	15,307.00	15,307.00	15,307.00	15,307.00	15,307.00						122,456	107,149	15,307
	15,307.00	49,973.00	84,639.00	44,307.00	54,140.00	34,139.00	49,973.00	17,333.00	-	-	-	-	923,960	349,811	574,149
PRA CENTRAL SERVICES													TOTAL FOR	LESS	UNPAID
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUGUST	SEPTEMBER	PERIOD	PAID	PRA CS
KPFA	4,622.00	4,622.00	4,622.00	4,622.00	4,622.00	4,622.00	4,622.00						32,354	32,354	-
KPFK													34,370	-	34,370
KPFT	1,585.00												11,095	1,585	9,510
WBAI													29,554	-	29,554
WPFW	2,041.00	2,041.00	2,041.00	2,041.00	2,041.00	2,041.00	2,041.00						14,287	14,287	-
	8,248.00	6,663.00	6,663.00	6,663.00	6,663.00	6,663.00	6,663.00	-	-	-	-	-	121,660.00	48,226.00	73,434
BENEFIT COSTS													TOTAL FOR	LESS	UNPAID
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUGUST	SEPTEMBER	PERIOD	PAID	BENEFITS
KPFK		16,631.03		34,162.11	16,350.64	33,973.88							135,856.54	101,117.66	34,738.88
KPFT	2,784.32	7,704.41	5,002.71	5,047.14	5,047.39	3,961.83	8,915.43						38,463.23	38,463.23	-
PRA	4,485.98	4,485.98	4,503.65	4,695.18	4,695.18	9,390.36		4,720.69					37,002.53	36,977.02	25.51
WBAI				11,450.41	11,450.41		21,034.94						92,167.80	43,935.76	48,232.04
WPFW	11,859.37	11,878.87	12,536.26	12,536.01	12,536.26	12,453.15	9,685.84	11,086.19					94,571.95	94,571.95	-
	19,129.67	40,700.29	22,042.62	67,890.85	50,079.88	59,779.22	39,636.21	15,806.88	-	-	-	-	398,062.05	315,065.62	82,996.43