

WBAI Treasurer's Report
September 14, 2022

The local Finance Committee met on August 17, and September 7, 2022. The National Finance Committee (NFC) met on August 23, and 30, September 6, and 13, 2022.. All of these meetings were held by teleconference.

At the August 17, 2022, local Finance Committee meeting the General Manager told the committee that the station had about \$4,000 cash in bank. He said that the station had gotten \$10,600 from a Major Donor and had paid two months of rent at 388. He said that he was racing to make payroll and the Tower Rent. He said that the station had some good days where \$6,000 and \$7,000 had been raised, but on the day of this meeting only about \$2,200 had been raised. He said that he'd made the health benefits payment and was racing to make payroll by August 31. He said that although the CFO's Monthly Income Statement For the Nine Months Ending Thursday, June 30, 2022, showed WBAI as having a deficit of about \$264,000 his *Quickbooks* showed the deficit as being about \$42,000 less. He said that he had not seen another Major Donor donation of \$10,600 for rent, which the station had gotten in February, recorded in the CFO's Income Statement so he thought that maybe it's recorded differently. He said that when the station has good premiums we make money and when we don't have them we don't make money. He said that his Accounts Payable showed the station to be about \$28,000 short per month while the CFO's Income Statement said it's about \$29,000 a month but he thinks it's about \$25,000 (A copy of the General Manager's "WBAI 99.5 FM Radio Pacifica Foundation_ New A/P Aging Summary As of August 17, 2022" is appended to this report). The General Manager said that the October 12, event at SOB's should raise money. He said that a Gary Null retreat should also help the station. He said that the station had about \$16,000 of grant money coming in, about \$5,000 from a bequest and \$10,000 from the city's Vision Zero PSAS. He said he would have the WBAI draft FY23 budget proposal ready before next meeting. He said it was not going to change much. He said he understood the revenue better.

At the August 23, 2022, NFC meeting the CFO told the committee that the National Office had about \$30,000 cash on hand, adjusted for payroll and outstanding payables. She said that the National Office's Accounts Payable was over \$200,000 now. She said that WBAI had funded payroll that day and had funded the station's health insurance premiums, and that WBAI had about \$1,300 cash left after that.

At this meeting the NFC heard about how tight finances are throughout Pacifica. The CFO said that the network-wide on-air fund raiser for Pacifica Radio Archives (PRA) had raised about \$32,000 for the purpose of paying payroll at PRA for a month and a half and that the month and a half was up. She told of other stations that were struggling with their on-air fund raisers and Pacifica Radio Archives and some stations were struggling to make payroll. As has been noted before, this situation means that it's possible that if WBAI needs what is essentially a bridge loan at some point there could be no place in Pacifica that could spare the cash.

The CFO presented the committee with a Monthly Income Statement For the Nine Months Ending Thursday, July 31, 2022. It showed all of Pacifica running a deficit of \$1,121,554

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and WBAI with a deficit of \$33,228 for July and a FY22 YTD deficit of \$297,751. WBAI represents about 26.5% of the overall Pacifica deficit. The CFO said that she wants to get a buy-in for WBAI and WPFW to use the *Great Plains* software to at least enter payables so that the new interim Business Manager at the National Office could deal with them. Currently, WBAI Management uses *Quickbooks* for accounting.

The NFC discussed the state of various stations' work on their draft FY23 budget proposals.

There was an executive session NFC meeting after this and the report out from it was, "The NFC met in closed session to discuss personnel and contractual issues of a confidential nature."

I had to miss the August 30, 2022, NFC meeting due to a pre-existing commitment. The meeting was mostly concerned with stations' and other units' draft FY23 budget proposals. There was also an executive session after this meeting and the report out from it was, "The NFC met in executive session to discuss proprietary and contractual issues and did not make any decisions."

At the September 6, 2022, NFC meeting the CFO said that no one had Administrator access to the *Great Plains* software. This was a problem in several ways because that software needs to be used to track the finances of all of Pacifica. Additionally the interim Business Manager at the National Office needs to be trained on it for her duties there before NETA takes leave of Pacifica on October 1, and the CFO wants to get the Pacifica Affiliates Network (PAN) on the *Great Plains* software too.

The Executive Director told the NFC that the PNB had passed a motion about Staff reduction and those reductions were being implemented ASAP.

The CFO told the NFC that two stations were not going to be able to fund their health insurance premiums for September, She also reported that access to the *Great Plains* software had been achieved, but that they still couldn't do things like generate financial statements.

During this meeting it was noted that stations are having difficulty paying bills, paying Central Services fees, paying health insurance premiums and are barely making payroll, and that a payment on the FJC loan was due soon.

There was a discussion of possibly getting grants from the Federal Emergency Management Agency for security measures.

There was once again an executive session after this meeting and the report out from it was, "The NFC met in executive session to discuss proprietary and contractual issues and did not make any decisions."

At the September 7, 2022, local Finance Committee meeting the Chair of the NFC told the local Finance Committee that administrator access to the *Great Plains* software had been obtained, but making changes to things was proving difficult.

During this meeting the issue of people joining the WBAI local Finance Committee from other stations was brought up. Those new members from other stations were asked to say why they wanted to be members of the WBAI local Finance Committee. Those members did tell the

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committee why they wanted to be on it.

The General Manager told the committee that WBAI had more than \$8,000 cash in bank, that the station's Accounts Payable was up to about \$1.3 Million, WBAI was behind on the Tower Rent by two months and also two months behind on the rent at 388 Atlantic Ave. He said the station had not received the payment for \$5,000 for the Vision Zero PSAS and that a lot of ads and promos had been done for the event to be held at SOB's. The General Manager talked about \$586,000 in donations sent to WBAI that had been attributed to the National Office. He also cited the Jim Krivo bequest of \$100,000 and the house in New Jersey that was a \$57,000 donation and said that it all added up to about \$737,000. He said that if the money had been attributed to WBAI the station would have put it towards Central Services fees and would not be behind on those fees.

The General Manager said that he was working on a virtual event. He also said that WBAI was working on a podcast but the project had been stalled due to lack of resources from Pacifica. He said that WBAI Management was working on getting discretionary funds from City Council members.

During this meeting the inevitability of Pacifica Management, and maybe the PNB, coming to New York looking to cut costs at WBAI was discussed. The General Manager said that the WBAI Staff had not had a raise in 15 years and had only just recently gotten one. He said that if the cuts were big enough some Staff would quit because they couldn't live on less than they're making now.

At this meeting we began to discuss the WBAI draft FY23 budget proposal. The draft budget projects a Total Revenue of \$1,455,648 Total Expenses of \$1,416,710 and Central Services fee payments of \$253,344 for a Net Loss of \$214,406 for FY23. Part of the discussion centered around the CFO's Income Statement through July 31, showing WBAI running a deficit of \$297,751. The question was with WBAI showing that size deficit for the first 10 months of FY22 what would cause the 12 months of FY23 to end up more than \$83,000 better. The General Manager said that with the person doing social media for the station gone and that by using local talent rather than people who have been paid to pitch that this would work. He noted that WBAI has a lot of people working without pay now. He said we also have to raise at least \$3,250 a day. He said that the station needed about \$30,000 more a month in revenue, and that good premiums would do it. A committee member noted that a \$300,000 deficit for FY23 would probably not be tolerated. The local Finance Committee will take up the budget again at its next meeting.

At the September 13, 2022, NFC meeting the Executive Director talked about Staff reductions at one station that would take place during this pay period. She said that she was working with Human Resources and the General Managers with regard to possible Staff reductions for the three stations that haven't had Staff reductions yet. She said that the NFC will need to deal with the lack of funding at both the national and local level. She said that Central Services need to involve money moving from one bank account to another and not just something on paper. She said that as we get closer to more divisions having trouble making payroll we have to consider what to do when we see that we can't pay Staff. She said that we may have to look at signal swaps, selling assets, declaring bankruptcy and have a working group

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that will determine what would be involved with those measures. She said that the NFC may play a role in those choices. She said that we're looking to get grants from some foundations. She said that not many organizations are interested in paying our past due payables.

The CFO said that working with engineers she's made progress related to the *Great Plains* server. She said that in five of the Pacifica units she knows about they have a total of \$61,500 in cash and a cumulative Accounts Payable of about \$815,000 (a unit can be a station or something like the National Office, Pacifica Radio Archives of the Pacifica Affiliates Network). She said that some of that amount is due by the end of September or the start of October some is past due. She said that we need some nice surprises this month for WBAI, WPFW and KPFFK. She said that Pacifica has an interest payment of about \$48,000 due on September 30. She said that we need to focus on major gifts and grants.

The NFC then discussed the PAN and National Office budgets.

One of the things that's come out of the recent NFC meetings is that WPFW, which was doing so well, is now in trouble and is struggling to make payroll and pay their health insurance premiums. This leaves KPFA as the only station really doing well, except that KPFA is now showing a deficit for FY22. I think that people are expecting KPFA to recover soon, but WPFW has people worried.

Things are looking very dire now. Payroll, health insurance premiums, the big interest payment on the FJC loan and some regular bills are coming due very soon. While WBAI struggles we tend to pay back the bridge loans we get from Pacifica. Other stations are looking worse than WBAI at this point. The Executive Director is talking about signal swapping, selling off assets and even filing for bankruptcy. I think that everyone who is familiar with Pacifica's financial situation is now very concerned. It is very possible that before the end of calendar year 2022, something drastic may occur. If WBAI is just struggling along the edge of being able to pay some bills as usual but other stations become more mired in debt, and have to jettison Staff that they may need to operate, things may rapidly happen to Pacifica that could impact all of the stations. I am not hearing from any optimists about Pacifica's finances.

The PNB's Strategic Planning Committee has passed a motion on underwriting. That motion has been sent all over Pacifica by now so I'm not going to include the text in this report. I will note that years ago an interim General Manager at WBAI came to a LSB meeting with a list of things that he thought would really help the station. At the top of his list was underwriting. Divisions on the WBAI LSB at that time were even more stark than they are now. But everyone at that meeting, without even consulting each other, immediately and unanimously objected to the idea of underwriting on the basis of the old saying, "Who pays the piper calls the tune." But that was a number of years ago. Pacifica is going to end up irretrievably insolvent in the not so distant future if a serious infusion of revenue doesn't happen. I suspect that underwriting is not going to work for Pacifica, but the organization is so desperate at this point that it probably will not hurt to try it out. In my opinion underwriting is not going to save Pacifica. Will it help? Maybe. One issue is that so many people in Pacifica have found so many ways to screw up over the decades that I am mostly concerned about Pacifica being able to adhere properly to the laws regarding underwriting. I think that the major danger is not so much that underwriters will call

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the tune as that Pacifica will find itself breaking the law and getting fined and ending up netting very little from underwriting or maybe even showing a net loss from underwriting due to screw ups. I'm sure that there will be a lot of debate about this.

My pessimism is actually increasing.

The next NFC meeting is scheduled for Tuesday September 20, 2022, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, September 28, 2022, at 7:00 PM (ET). 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 August 17, 2022						
	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
4TS - 4 Times Square		17,205.92	16,763.08			33,969.00
ACD Direct, Inc.			7,327.09	6,337.81	2,020.86	15,685.76
Allegiance Fundraising LLC				349.00	349.00	698.00
Anastasia Alexiadis				3,950.00		3,950.00
Associated Press, AP			328.88	328.88	328.88	986.64
AT&T			150.00	150.00	150.00	450.00
BMI Music Square					4,662.00	4,662.00
Bob Hennely		750.00				750.00
CHAGIT				733.50		733.50
Constant Contact	315.00					315.00
Empire State Building					0.00	0.00
Felipe Luciano		375.00				375.00
Fortunato Flores		450.00				450.00
Foster Garvey PC					725.00	725.00
Frenchie Davis		500.00				500.00
Fusion			294.61			294.61
Giovanni Anglin			900.00			900.00
Hanna Worthy Simpson		3,000.00				3,000.00
James Irsay		375.00	375.00			750.00
Keziah Glow		1,000.00				1,000.00
Lylburn Downing					1,166.67	1,166.67
NFCB					3,875.00	3,875.00
or Books				140.39		140.39
Pacifica National Office - PNO		16,890.00	16,890.00	16,890.00	565,793.62	616,463.62
PRA (Central Service)		4,222.00	4,222.00	4,222.00	269,270.50	281,936.50
Payroll Expenses					145,088.80	145,088.80
Power Cooling, Inc				835.00		835.00
Protekt				1,422.49	162.18	1,584.67
Nielsen				3,510.00	55.00	3,565.00
Rebecca Myles				375.00	0.00	375.00
Signius					0.00	0.00
The Commons Foundation		5,300.00				5,300.00
Time Warner Cable 388			25.62	799.87		825.49
TOTAL	315.00	50,067.92	47,276.28	40,043.94	993,647.51	1,131,350.65