

WBAI Treasurer's Report  
November 9, 2022

The National Finance Committee (NFC) met on October 25, November 1, and November 8, 2022. The local Finance Committee met on October 19, 2022. All of these meetings were held by teleconference.

At the October 19, 2022, local Finance Committee meeting the General Manager told the committee that the station had about \$4,250 cash in bank. He said that he wanted to raise about \$58,000 by the end of the month. He noted that WBAI's programming has suffered a lot of disruptions from 4 Times Square sporadically shutting down the transmitter for inspections and other tower-related issues. He said that the station was off the air during its prime fund-raising times. He said that 4 Times Square had a schedule of when the disruptions would occur but they did not stick to that schedule because of weather, inspectors getting sick and other causes. He said that the result was that for the month of October the station was about \$21,000 short of its on-air fund raising goal and about \$80,000 short of where he wanted the station to be on a regular basis, "not to be great but just to be maintaining." He said that for the remainder of October he would have to preempt programs with little notice in order to try to make up the revenue shortfall. He said he'd told the Executive Director and the new National Business Manager about the situation. He said that the station was keeping up with payments to the National Office but was falling into more debt. He said that the event at S.O.B.'s was successful and would probably raise about \$5,000 net cash. He said that membership dropped during the Summer. He said that because of the shutdown he now has a weekly dispatch newsletter which is sent out to 37,000 to 50,000 listeners by E-mail letting them know about the two or three best shows Management has noticed during the past week and linking to them on the archives. He said that 25 to 30 people respond to the newsletter, asking what's happening with the programs. He said that here was a question of how to turn this into revenue.

In answer to a question the General Manager agreed that his Accounts Payable aging Summary showed WBAI to be about \$1.375 million in the red. (A copy of the General Manager's "WBAI 99.5 FM Radio Pacifica Foundation New ACCOUNTS PAYABLE Aging Summary As of October 19, 2022" is attached to this Treasurer's Report.) He said that the items labeled "problematic" were expenses that were getting out of hand. He said that one of them is the call center which costs about \$7,000 to \$8,000 a month and amounted to almost \$30,000, he said he'd like to pay them about \$15,000 to cover two of the four months outstanding. He said that the studio rent at 388 Atlantic Ave. was about three months behind and he'd like to pay them something. He said the station was behind on the Tower Rent by two months and he didn't want to get into three months behind because then we get into trouble. He said that with these items he considered the station to be falling behind.

The committee resumed considering the WBAI draft FY23 budget at this meeting. The committee voted to send the draft budget to the LSB with the suggestion that rents received for use of the WBAI Subcarriers (SCA) continue to be paid to the National Office but be credited to WBAI's current Central Services. The suggestion that WBAI have its Central Services fees reduced by the amount of the station's SCA rent passed by one vote, with people from other stations, who had become members, voting in favor of it. It's obvious that if the National Office needs a certain amount of revenue from Central Services fees and if some of that money is "replaced" by money that the National Office is already getting that either WBAI's Central Services fees would need to be raised by that amount or the National Office would be short of the revenue it needs to function. This is exactly the sort of "stains on paper" funding trick that the Executive Director has been complaining about as causing problems for the National Office.

The October 25, 2022, NFC meeting started with a controversy about the removal of the KPFK Treasurer by the KPFK LSB, and their election of a new Treasurer at the same meeting in an election for which no prior notice had been given. The NFC Chair ruled that the new KPFK Treasurer would be recognized by the NFC. An appeal of the ruling of the Chair resulted in a tie vote and so the Chair's ruling was upheld.

The new National Business Manager told the NFC that she was still trying to make heads and tails of things. She said that a lot of her time is spent fielding phone calls from bill collectors. She said that an issue that's arisen in the transition after the departure of the National Educational Telecommunications Association (NETA) was that NETA used two systems for accounting, their *MAS 500* software and the *Great Plains* software which Pacifica has been using for years. She said that now everything has to be brought over to *Great Plains*.

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Program Directors. She said that everyone was in on-air fund raiser mode and some on-air fund raisers were not going as well as anticipated. She said that she's trying to get revenue in as much as possible and she was negotiating with vendors on payment plans. She said that as of the date of this meeting Pacifica had \$133,608 in cash, and Accounts Payable was \$1,947,537 which included unpaid Central Services fees; without the Central Services fees the Accounts Payable was about \$850,000. She noted that Pacifica was rich in assets but poor in cash. She said that she was working with the General Managers to increase listenership and that long term goals were being worked on on a daily basis.

The Executive Director talked about the struggle to meet all of the Pacifica payrolls. With the system that Pacifica uses **if one station, or other unit, can't make payroll then no payroll goes out, so all stations and units in Pacifica do not pay their payroll on time.** Some stations chronically come very close to not being able to make their payroll for a particular payroll period and money has to get shifted around through the National Office to help them make payroll. In Pacifica there are two pay periods every month. The Executive Director said she had worked on a plan to send an E-mail to the General Managers and employees if Pacifica can't make payroll at some point so that Paid Staff will have a warning that they would not get paid for two weeks.

Monthly health insurance premiums are something else that sometimes requires shifting money around. WBAI has been paying its health insurance premiums on time lately, but for about four months at the start of FY22 the National Office had to pay it. WBAI still owes the National Office that money.

The Executive Director said that Pacifica can't continue to survive from paycheck to paycheck; that inadequate Central Services fees is a problem.

The NFC then went into executive session. The report out was, "The NFC met in executive session to discuss financial matters, real estate issues and contractual matters of a confidential nature."

At the November 1, 2022, NFC meeting the Executive Director told the NFC that she'd been focusing on daily bank balances and the progress of on-air fund raisers. **She said that WBAI had renewed the agreement to do public service announcements from the New York City Department of Transportation that will result in revenue, and that the New York City Department of Health had also contracted with the station to do paid announcements.** She said that she's still looking at cash on hand vs. Aged Payables and at the time of this meeting Pacifica had about \$204,000 cash in bank, about \$1.2 million in Aged Payables without Central Services payments that are owed, and about \$2.9 million in Aged Payables that do include Central Services payments that are owed. She said that the principal remaining on the FJC loan was about \$2.1 million.

A Central Services formula was discussed at this meeting, but no action was taken on it.

The National Office and KPFT draft FY23 budgets were also discussed at this meeting.

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At the November 8, 2022, NFC meeting the KPFT draft FY23 budgets was dealt with. Much of the meeting was taken up with a long motion under the agenda item of "**Business Plans needed in place before any sale of any major asset.**" **This motion relates to the proposed sale of the KPFK building in Los Angeles.** The motion was discussed at length but in the end it was postponed to the next NFC meeting.

The NFC passed a motion to meet every Tuesday night for the rest of 2022.

It could be said that at this point something sticky has hit the fan. As noted in my September Treasurer's Report the Executive Director had mentioned signal swaps, the selling of assets, and declaring bankruptcy as things that seriously needed to be looked at in order to deal with Pacifica's serious financial deficit. And now the selling of assets is being authorized. Specifically the KPFK building is to be sold. I've been pessimistic about how things were going for years, as can be seen from these Treasurer's Reports. The KPFT building had to be sold largely because it had been badly damaged and couldn't be occupied anymore. The KPFK building will be sold, unless there is, as some people have put it, "a miracle," in order to save Pacifica from some even worse fate.

Something was going to happen because of the state of Pacifica's finances. There are huge deficits and on-air fund raisers have not been able to fund Pacifica for a long time. We're lucky that no station's license was sold.

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All of the financial issues will not be solved by the sale of KPFK's building. The sale, and probably the negotiations that will be involved with it, will likely take some time. People at KPFK are maneuvering to try to avoid becoming permanent renters of their studios. That building also houses the Pacifica Radio Archives (PRA) and the National Office. So even if a sale goes well there will probably be disruptions to Pacifica's activities. The big motion made at last night's NFC meeting about a business plan for the details of the sale will be a part of Pacifica's attempt to deal with this solution, possibly not a permanent solution, to Pacifica's financial problems. There are plenty of challenges ahead. Since there has now been one drastic move made, there may yet be others. WBAI's finances need to be bolstered. If the station could become self-sustaining and if the station could pay its assigned Central Services fees the station might be able to survive in a future, less forgiving Pacifica.

The WBAI draft FY23 budget is being submitted to the LSB at this meeting. It would be unrealistic to think that we could suddenly make this a budget without a deficit, but in the next year steps must be taken to lessen the deficit and get the station on its feet again.

The next NFC meeting is scheduled for Tuesday November 15, 2022, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, November 30, 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 October 19, 2022

Description	Current	1 - 30	31 - 60	61 - 90	91 and over	Total	Problematic
4TS - 4 Times Square		17,565.55	17,390.51			34,956.06	34,956.06
ACD Direct, Inc. - Call Center		8,012.25		7,268.40	21,981.42	37,262.07	29,249.82
Allegiance Fundraising LLC				349.00	1,047.00	1,396.00	
Anastasia Alexiadis					3,889.72	3,889.72	
Associated Press, AP					986.64	986.64	
AT&T		37.03	150.00			187.03	
BMI Music Square					2,331.00	2,331.00	
Bob Hennely		250.00	375.00			625.00	
CHAGIT					733.50	733.50	
Empire State Building					0.00	0.00	
Felipe Luciano		250.00	625.00			875.00	
Fortunato Flores			-450.00	180.00		-270.00	
Foster Garvey PC					725.00	725.00	
Fusion	448.21					448.21	
Health Care Bill Back					172,002.52	172,002.52	
James Glanz		1,185.00				1,185.00	
Keziah Glow		1,000.00				1,000.00	
Lylburn Downing					1,166.67	1,166.67	1,166.67
Nancy Giscombe - Newsletter		1,250.00	1,250.00			2,500.00	
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	599,573.62	650,243.62	
PRA (Central Service)		4,222.00	4,222.00	4,222.00	277,714.50	290,380.50	
Paul DeRienzo			1,088.00			1,088.00	
Payroll Expenses					145,088.80	145,088.80	
Power Cooling, Inc					835.00	835.00	
Protekt					1,584.67	1,584.67	
RRC - Arbitron					3,065.00	3,065.00	
The Commons Foundation		5,300.00	5,300.00	5,300.00		15,900.00	15,900.00
Time Warner Cable 388					825.49	825.49	825.49
<b>TOTAL</b>	<b>\$448.21</b>	<b>\$55,961.83</b>	<b>\$46,840.51</b>	<b>\$34,209.40</b>	<b>\$1,237,565.94</b>	<b>\$1,375,025.89</b>	<b>\$82,098.04</b>