

WBAI Treasurer's Report
June 14, 2023

The WBAI local Finance Committee met on May 17, 2023. The National Finance Committee (NFC) met on May 23, and June 13, 2023. All of those meetings were held by teleconference.

At the May 17, 2023, local Finance Committee meeting WBAI PNB Director Jim Dingeman told the committee that Pacific's financial situation was going to come to a head pretty soon. He said that the bills were growing and there were no resources to pay them all. He said that a lot was dependent on solving the immediate cash flow problems by the sale of the KPFK building. He said that a situation would arise soon due to the cash flow problems where consideration would once again be given to the swapping and selling of signals, and some people had already brought up the idea of selling WBAI's broadcast license to raise cash. He decried the time wasted on factional conflicts in Pacifica instead of improving programming to the point where Pacifica could be fully supported by its on-air fund raisers.

The General Manager took issue with the Executive Director's statement at the April 25, 2023, NFC meeting that WBAI's *Allegiance* bill had been paid by some donors. [*Allegiance* is a software and a service that WBAI uses to keep track of donors and donations.] The General Manager said that WBAI's *Allegiance* bill was about \$230 a month and that maybe the station was only behind on the *Allegiance* bill by one month and the company had not sent bills for a while. He said that perhaps someone is confusing the *Allegiance* bill with the company ACD Direct, Inc., which runs the call center that WBAI uses. There was also a discussion about Pacifica claiming to not be able to discern WBAI's current cash position with regard to the station's bills at times. The General Manager said that he goes over the bills, sends the Accounts Payable aging summary to the National Business Manager, and she likes how he keeps track of the bills in *Quickbooks*. He said that WBAI may get two or three weeks behind in the accounting at times, but that's all.

In his report to the local Finance Committee the General Manager said that he was sorry that he'd missed the last meeting, but that he was offended that people think he has to attend meetings. He said that it had been many months since the last time he'd not attended a local Finance Committee meeting and that not many General Managers are that consistent. He said he wanted that on the record.

The General Manager said that the station was raising between \$12,000 and \$15,000 a month from from PSAs and if it keeps going that way he'll put the PSAs in next year's budget. He said that most of the PSAs were from the New York City Department of Transportation and the New York City Department of Health, which had a PSA about nutrition. He said that the station had gotten one from the Department of Education and that he was trying to get PSAs from the Department of Sanitation. He said that he was also looking for PSAs from the Department of Minority Affairs, focused on minority women. He said that the station was going in the right direction. He said that the on-air fund raiser that was planned had run into a situation with 4 Times Square having to do tower repairs which would take the station off the air for some days. He said there were some specials planned. The General Manager said that he was trying to see about grants. He said that a benefactor may pay someone for some months to get grants for WBAI. He said that for 25 months WBAI had raised an average of about \$88,000 a month. He said that this was about \$12,000 short of the monthly goal and the station needs to raise about \$20,000 more a month.

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There was a discussion of the Nielsen ratings. The General Manager said that WBAI owed the Radio Research Consortium, which provides stations with the Nielsen ratings, four quarters of payments. The General Manager said that his sense was that if WBAI paid the Radio Research Consortium for three quarters, which he said would come to about \$10,000 to \$12,000, they would probably send us the ratings if we were only one quarter in arrears. He said that if we had to do it he'd find a way.

There was a discussion of Central Services fees, which I've told the General Manager that people in Pacifica will want to be paid regularly from now on. The General Manager said that he could try to dedicate the PSA revenue to paying that in the future and that revenue might cover it.

The General Manager said that WBAI was about \$31,000 short of its needs on a monthly basis.

At the May 23, 2023 NFC meeting the main thing that occurred was the committee considering a new timeline for budgets. I'd sent in a draft of a timeline and this was considered and after it was amended a Timeline for the FY23 budgets was approved. I will note that we are nearing the end of the third quarter of FY23 at this time. [A copy of the Timeline for the FY24 Budgets is attached to this report. The NFC also passed a Timeline for future budgets. I'm not attaching that one. I think that it's likely that that timeline will be changed before it comes into effect next year.]

At the June 13, 2023, NFC meeting the Executive Director said that she and the National Business Manager were preparing outlines for the FY24 budgets and they were mapping out the Central Services fees. This is probably another indication that WBAI is really going to have to pay its Central Services fees starting soon.

The Executive Director said that a second offer to buy the KPFK building had come in, and that there's another one pending. These offers have not been presented to the PNB for approval yet, but the Executive Director said that they're still moving forward with talking to potential buyers.

The Executive Director said that Pacifica had not been able to make the interest payment on the FJC loan in March and she didn't think that Pacifica would be able to make the interest payment that's due in June either; she'll be talking to the FJC people about what to do next. In the past the FJC interest payments have been around \$48,000 per quarter, but with the Prime Rate escalating that may well be higher now. Given that FJC had made an additional loan to Pacifica of the interest payments that had been made I think that the principal of the FJC loan is *probably* about \$2.1 million. The Executive Director said that the interest on the Economic Injury Disaster Loan (EIDL) was starting to come due. She said that Pacifica owed two months on the EIDL at this time. The Executive Director said that the monthly EIDL interest payment is \$8,731, and that the total payout for that loan is \$2,079,429.73.

The Executive Director said that Pacific's Accounts Payable were about \$1,970,000. That figure does not include past due Central Services payments.

As mentioned above, the NFC had passed a couple of budget timelines at its May 23, meeting. The following motion was passed by the NFC last night with the goal that the PNB will make the timelines official Pacifica policy and let everyone in Pacifica who has to put together a budget know about them.

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Motion: (James Sagurton) “That the NFC send the two timelines to the PNB.”
(Passed without objection)

The NFC also passed the following motion with regard to the monthly financial documents that are supposed to be generated by the National Office. I’ll note that the Consolidated Income Statements are not being generated monthly of late. The most recent one we have was for the period ending February 28, 2023. Last night the Executive Director said that a Consolidated Income Statement was about to be issued. The below motion will most probably be passed by the PNB some time soon.

Motion: (James Sagurton) “Pacifica monthly financials shall be released to the NFC, the unit Managers, Business Managers, officers of the PNB and the Executive Director upon availability, and released to the public after approval by the NFC.” (Passed without objection)

The WBAI General Manager seems to have a workable idea for paying Central Services fees from now on. If the PSA revenue remains as it is or grows that may give WBAI a chance to meet the monthly Central Services fees on a regular basis for the first time in a while.

I think it’s good that buyers are still making offers for the KPFK building. The Pacific-wide cash flow problem is not just going away. If Pacifica can get on its financial feet in the near term another building could be found for KPFK. If WBAI’s license were to be sold we’d never get one like it again.

The bad news is that Pacifica is not paying the interest on the FJC loan or the EIDL. The EIDL is a government loan related to the COVID-19 pandemic, and being a *little* behind on the interest payments will probably not get the government to come after Pacifica in the near term. Pacific’s real estate is the collateral for the FJC loan, however, and I don’t know how far FJC can afford to go in helping Pacifica.

My long-standing pessimism remains. The cash-flow difficulty is getting more acute. There are already people trying to get the FCC to deny WBAI’s license renewal and there’s some nasty rhetoric aimed at WBAI by some people who are involved with Pacifica. WBAI is in a perilous position right now.

The next NFC meeting is scheduled for Tuesday June 27, 2023, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, June 21, 2023, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer

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APPENDIX

Timeline for the FY24 Budgets

| | Deadline | Who Initiates | Action |
|---|----------------------------|---|--|
| A | April 15 | Executive Director | Tell all division Managements to start putting together a draft FY24 budget. |
| B | May 15 | General Managers &/or Business Managers | Submit their draft budgets to the local Finance Committees. |
| C | May 15 | Executive Director & National Business Manager | Tell the NFC their estimate of how much money the National Office will need for all of FY24. |
| D | May 15 | General Managers &/or Business Managers/PRA & PAN Directors | Generate draft station, National Office, PRA & PAN budgets and submit them to Executive Director &/or National Business Manager. |
| E | June 30 | Local Finance Committees | Draft FY24 station budgets are submitted to the LSBs. |
| F | June 30 | Executive Director, National Business Manager & Directors | Deadline for National Office, PRA & PAN budgets to be submitted to the NFC. |
| G | July 31 | LSBs | Deadline for LSBs to pass their FY24 budgets. |
| H | August 1 | Executive Director & National Business Manager | Executive Director & National Business Manager review, compile and distribute final National Office budget proposal to NFC for approval. |
| I | August 15 | NFC | Review Final National Office Budget. |
| J | August 31 | NFC | Make recommendations for PNB adoption |
| K | No later than September 30 | PNB | Adopts Budgets for fiscal year beginning October 1, 2023. |