

WBAI Treasurer's Report
July 12, 2023

The WBAI local Finance Committee met on June 21, 2023. The National Finance Committee (NFC) met on June 27, and July 11, 2023. All of those meetings were held by teleconference.

At the June 21, 2023, local Finance Committee meeting the General Manager told the committee that his report was the same as the one he'd given the LSB one week earlier. He said that WBAI was 3½ months behind on the rent at 4 Times Square and that they'd sent him E-mails about that. He said that the 14 day on-air fund raiser had been a disaster and that he'd said we shouldn't do that kind of on-air fund raiser anymore. He said that the event at SOB's set for the day after this meeting was probably not going to make money, and that we'd be lucky to break even. He said that the expenses for the event were \$2,500 to rent the venue, between \$1,000 and \$1,500 for the DJ, depending on how much money we make, and there would be a few hundred dollars for flyers and things like that. He said that it added up to about \$4,000 and that at \$25 per person the station needed to sell 200 tickets to break even. I think that at that rate the station would realize a small positive net revenue from the event. He said that the station was averaging about \$18,000 per month from the PSAs from mid-April to mid-May and from mid-May to mid-June. He said that he was wondering if this would continue so that he can consider the PSAs to be regular income. He said that he was trying to establish contact with the New York City Department of Education because they'd given the station a very small contract for PSAs. He said that WBAI Management was trying to talk to them and build up that relationship. He said that there were problems billing them due to complications because they bill you by campaign and by ranges of time which could end up with the station having to submit three bills. He said that Management had gotten all the revenue from the New York City Department of Transportation and that now Management is doing the billing for the New York City Department of Health. He said that PSAs are the only bright light now. He said that the station needs premiums and that if you have premiums you make money and if you have no premiums or old premiums you don't make money. He said that obviously if we have more listeners we'd make more money but we could make our goal if we had premiums. He said that a case in point was that Christine Blosdale had come up with a new premium right after the on-air fund raiser and the station had been averaging about \$3,000 a day. He said that our model is a premium model until we have some money to invest into marketing and reaching out to a larger audience. He said that WBAI's programming is obviously, "Pretty damned good." He said that he wants to invest in marketing and podcasting. He said that the station had run out of money for podcasting and nobody had picked up the podcasts.

The General Manager said that the 14 day on-air fund raiser had raised about \$1,600 a day and that that rate for pitching for nine hours a day was pretty bad. He said that 70% of the premiums were old. He said that the only new premium we had was the "Best of WBAI" premium which was also a rehash of old shows that was put together as a new premium. He said that cooperation of producers had been lacking for the 14 day on-air fund raiser despite Management sending E-mails to the producers telling them to cooperate. He said that some

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promises were made and not kept. The General Manager and I disagreed about his remarks regarding the failure of the 14 day on-air fund raiser being the fault of the producers. The General Manager said that the failure did not reflect on the person who ran the on-air fund raiser nor on WBAI Management, he said that it reflected on the whole culture of WBAI.

The General Manager said that the Executive Director and General Counsel needed to talk to the people at 4 Times Square about the stations arrearage and that WBAI also needed credit for all of the time that we were shut down for repairs by 4 Times Square. He said that 4 Times Square had not replied to the letter the General Counsel had sent them. He said that WBAI owed 4 Times Square about \$63,000 and owed 388 Atlantic Ave. about \$20,000 in back rent.

In answer to a question about WBAI's monthly deficit the General Manager said that the PSAs were plugging the hole and that the station could easily double that and get \$40,000 a month but Management is short handed. He suggested that if the LSB or the local Finance Committee wanted to deal with the city agencies we could do that. There was a short discussion about authorization and how people could contact those agencies and put them in touch with WBAI Management.

At the June 27, 2023, NFC meeting Pacific's Director of Engineering and Compliance, Jon Almeleh told the committee the details of the problems that Pacifica had been having with the *Great Plains* accounting software and how they had been resolved. As a result of this resolution Monthly Income Statements should be getting issued again.

The Executive Director sent the NFC the consolidated financials for the period ending April 30, 2023. She said that the General Managers and Business Managers were going over the document. When the NFC authorizes the release of that Income Statement I'll post it.

The Executive Director said that preparations for the FY22 audit were, on a scale of 0 to 10 at about 8.5 to 9. She said that the audit was ready to begin but Pacifica didn't have the money to pay for it. She said she was in touch with the auditors.

The Executive Director said that Pacific's Accounts Payable were about \$2.3 million, not counting Central Services that were in arrears. The Executive Director said that a substantial amount of Pacific's consolidated Accounts Payable was interest payments. She said that there were large payables to vendors on the order of \$67,000 to \$97,000 that are multiple years old, and there were also legal bills. She said that the General Counsel was not sending bills and those bills were not in the Accounts Payable. She said that almost every week a new bill pops up, usually for about \$3,000 to \$11,000. She said we'd be making arrangements for payment and she was letting the bigger vendors know that we're selling a building.

The Executive Director said that she wanted to consolidate all bank accounts in Pacifica. This would mean that all Pacifica stations and the divisions would deal with one bank. She said that if this does happen that every division would still have its own bank account. She talked about the ability to have checks and balances with such a system which would allow the National Office to know what the bills were at all stations and other divisions.

The Executive Director told the committee that Pacifica had not made the quarterly interest payment due for the FJC loan at the end of March and would not be able to make an interest payment at the end of June either. She said that she was keeping FJC informed. She said

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that we were also behind in the Economic Injury Disaster Loan (EIDL) payments, and that we owed three months of interest payments at that point. The monthly EIDL interest payment is \$8,731 and the Quarterly interest payment on the FJC loan varies with the Prime Rate.

The Executive Director talked about the necessity of sexual harassment prevention training for *everyone* in Pacifica.

At the July 11, 2023, NFC meeting the committee spent a lot of time reviewing the Pacifica Affiliates Network FY23 budget and actuals.

The Executive Director said that Pacifica was two quarterly payments behind on the FJC loan payments, and three months behind on the monthly EIDL interest payments. She said that the EIDL interest is \$8,731 per month and Pacifica owes EIDL about \$31,000 in interest payments.

The Executive Director said that she had not heard anything from the Corporation for Public Broadcasting (CPB) about Pacific's application for membership, but still expected to hear from them in September or October.

The Executive Director said she'd met with the General Managers and division directors looking for ways to decrease expenses and increase revenue. She said that there had been discussion about national on-air fund raisers looking to decrease expenses on the network. She said that she wanted to use that revenue to pay for the current elections, the health benefits payments that are in arrears and the audit. Some NFC members were not keen on holding an on-air fund raiser with the goal of paying health insurance premiums and the Executive Director said that some General Managers had said it would be easy to do an on-air fund raiser for one of those expenses. It sounds like not everyone agrees on that national on-air fund raiser strategy. The Executive Director said that it's uncertain which stations would participate in that national on-air fund raiser. She said that Pacifica had tried three national on-air fund raisers in the last year and hadn't raised much because some stations didn't participate.

The Executive Director said that all stations had made payroll, for June 30 and would make payroll for July 15.

The Executive Director said that there were three offers on the KPFK building and Pacifica was making counter-offers to those.

The topic of paying the National Elections Supervisor (NES) came up at this meeting. The NES is to get three payments. The Executive Director said that donors had covered the first one, and she wants to see if they'll cover the second. She said that she's looking for others to cover it. She said that she's also asking if people will donate to offset the costs of paper ballots that some Pacifica voters will want.

The NFC then went into an executive session for about half an hour. The report out from that executive session meeting was, "The NFC met in executive session to discuss contractual matters of a confidential nature."

WBAI is not among those stations that are current on paying health premiums. Other stations are in the same boat. We are making payroll for the first half of July, I'm not sure about how we'll do for the end of July and for August. The Summer months are usually tough months

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in terms of raising revenue. It was mentioned at last night's NFC meeting that the current real estate market in California is quite depressed. This could affect what Pacifica would realize from the sale of the KPFK building. Pacifica is counting on having a serious amount of money left over after the sale to pay bills. If the people offering to buy that building are able to succeed with a low-ball bid it would have serious consequences for Pacifica.

Pacifica has missed two FJC loan interest payments. That loan is secured by real estate that Pacifica owns. We're just lucky that FJC hasn't asserted their rights to seize any of that real estate to recoup the principal of that loan, which I think is *probably* about \$2.1 million. The EIDL principal is about \$2 million.

People in Pacifica Management and governance are really trying to make things work, but the financial situation still looks very bad. I remain pessimistic about Pacific's future at this point. We are relying on vendors to not foreclose on anything. That's a dicey survival strategy. If Pacifica does achieve membership in the CPB there will be no revenue from that quarter until 2024, and we have no guarantee of getting into the CPB. That's one of the reasons why getting the FY22 audit posted is such a big deal.

The next NFC meeting is scheduled for Tuesday July 25, 2023, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, July 19, 2023, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer