

WBAI Treasurer's Report
December 11, 2024

The National Finance Committee (NFC) met on November 19, November 26, and December 10, 2024. These meetings were held by teleconference. The WBAI local Finance Committee did not meet.

At the November 19, 2024, NFC meeting the WBAI draft FY25 budget was presented by the Executive Director and the WBAI interim General Manager. Committee members questioned the projected Listener Support figure of \$1,200,000. The Executive Director expressed the opinion that it could be done.

In the course of discussion the Executive Director said that the Public Service Announcements that WBAI had been running had only resulted in revenue of \$11,000 to \$12,000. There were comments from some NFC members that some things had inaccurately recorded before at WBAI, that the NFC had had very unreliable information from WBAI at best, and that being FCC compliant was going to cause a huge change in how Management is paying for the station.

In the end the NFC passed the following motion, "To approve the draft FY25 WBAI budget and to send it to the PNB." by a vote of 8 for, 1 against and 1 abstention.

The presentation with questions and answers, along with debate on the motion took just about an hour and a half for the WBAI draft FY25 budget. The WPFW draft FY25 budget, taken up immediately after the WBAI budget had been dealt with was discussed and approved in a little more than 20 minutes.

I am informed that the WBAI draft FY25 budget was approved by the PNB at its November 21, meeting.

The WBAI local Finance Committee meeting set for November 20, 2024, did not happen. Just as I was about to call in I was contacted by Otis Maclay who told me that the Maestro Conference service was having a technical problem and that the meeting had to be cancelled. I started a poll of the committee members to see when the WBAI local Finance Committee would hold its next meeting. As a result of that poll the next meeting will happen on January 15, 2025.

The November 26, 2024, NFC meeting was largely taken up with the National Office draft FY25 budget proposal. The NFC then discussed Central Services again. A motion regarding them was postponed to the next meeting.

At the December 10, 2024, NFC meeting the Executive Director reported that Pacifica's Accounts Payable was \$542,494. She said that Pacifica's General Counsel had discounted his bill by about \$179,000. She said that after negotiations the principal on the FJC loan was about \$1,945,000 and the first quarterly interest payment of just short of \$30,000 was due at the end of this month. (The Executive Director's report "ED REPORT for PNB Meeting November 21, 2024 – CAN BE SHARED WITH LSBs and COMMITTEES Submitted by Stephanie Wells" which includes Accounts Payable information and Central Services payments information and the way that the proceeds from sale of the Los Angeles building are being spent is appended to this report.) She said that the Pacifica Affiliates Network, KPFA, KPFT, WPFW have made

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Central Services payments in FY25, but KPFK and WBAI have not made any payments.

The Executive Director said that Pacifica had paid off the company that makes the *Allegiance* software and service that keeps track of donations made to Pacifica and the stations. She said that the *Allegiance* bill had not been paid in a while and so Pacifica has not been upgrading the *Allegiance* software. The company is now looking at Pacifica's system and is determining what we need in order to get the latest upgrade. This will be helpful for all units within Pacifica to keep track of donations and donors. *Allegiance* can do a lot of things like keeping WBAI in contact with donors and BAI Buddies, tracking them and noting if someone suddenly is no longer donating. A lot of the time BAI Buddies stop donating for mundane reasons like if the credit card they were using expired, or they have moved to a different credit card or something like that. The *Allegiance* software can let a station know that a donor needs to be contacted and that can keep the revenue stream going.

The NFC spent a good amount of time on motions regarding Central Services fees. The following motion was passed without objection after debate:

“The Pacifica National Finance Committee urges the Pacifica National Board to pass the following motion regarding FY25 Central Service Fees.

“Whereas the Pacifica National Board, (PNB) has passed budgets for the 2025 fiscal year for KPFA, KPFK, KPFT, WPFW, WBAI and the Pacifica Affiliates:

“Therefore be it resolved that the PNB hereby directs the Pacifica Executive Director to communicate to all division management and members of the National Finance Committee that the Central Services Formula for the fiscal year of 2025 will be the amount designated as projected Central Service revenue from each station as specified in the NATIONAL OFFICE FY25 Proposed Budget sent November 19, 2024, and as specified in the divisions' PNB approved FY25 budgets, (for KPFA, KPFK, KPFT, WPFW, WBAI and the Pacifica Affiliates).

“And be it further resolved that the FY25 division projected budgeted funds for Central Service Fees will be divided into 12 monthly payments or 24 bi-monthly payments for the fiscal year of 2025 and that Pacifica management is hereby authorized to provide direct oversight to division management to ensure timely payment for all FY25 budgeted Central Service Fees.”

Also at this meeting the NFC discussed the Subsidiary Communications Authorization (SCA) revenue. The SCA allows stations to broadcast alternate programs that are essentially piggy-backed on their signals on what's called a “sub-carrier,” which uses up a part of the station's frequency. People listening to SCA transmissions need to use a special radio to hear them. The Executive Director said that a previous Executive Director had told those clients broadcasting on the Pacifica SCA services that they didn't have to pay for the service during the early years of the COVID-19 pandemic. She said that some of them are still not paying. She also said that two organizations that deal with SCA broadcasts say that in three years the audience for SCA broadcasts will be gone, replaced by similar services on the Internet. She said that WBAI

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has two SCA clients, one of which doesn't pay for the service. She said that the SCA operation results in revenue for Pacifica of about \$3,500 every couple of months. The committee discussed this for a while, and then there was the following:

Motion: (Susan Young) "To affirm that the SCA revenue be devoted to support national operations." (Passed 8 for, 0 against, 1 abstention)

Also at this meeting the NFC discussed the third quarter consolidated financials which had been sent to the committee weeks ago. After discussion, the committee agreed to release the "PACIFICA FOUNDATION Consolidated Monthly Income Statement For the Nine Months Ending Sunday, June 30, 2024" to the public. I sent a copy of that Income Statement to the WBAI LSB public mailing list, and to the WBAI local Finance Committee mailing list last night.

After the NFC had agreed to release that Income Statement one NFC member said that "WBAI looks really bad," and he noted that two years ago WBAI was running a deficit of about \$278,000 and the station had a deficit of about \$314,000 in the third quarter of last year, and was showing a deficit of about \$325,000 at the end of the third quarter in FY24.

Pacifica's fiscal year goes from October 1, of one year to September 30, of the next year. So FY24 has been over for about 2½ months now and we're approaching the end of the first quarter of FY25 now.

Pacifica's Accounts Payable total is about the same as it had been last month. The proceeds from the sale of the Los Angeles building are helping to pay off some things even though the net from that sale is a lot less than had been anticipated. Note that the Executive Director's written report gives a detailed rundown of how the proceeds of the sale are being spent. How WBAI is going to fulfill the projection of raising around \$1,200,000 in Listener Support remains to be seen. It's true that WBAI's third quarter bottom line has been getting worse for three years. When we finally get the Income Statement for the fourth quarter of FY24 we'll have a good idea of how likely the station will be to meet the projection. The Income Statement for the first quarter of FY25 will be very important. I'm still pessimistic about WBAI and Pacifica's future, especially since the biggest threats to Pacifica over the next couple of years may be non-financial, external threats.

The next NFC meeting is scheduled for Tuesday December 24, 2024, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, January 15, 2025, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer

APPENDIX

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ED REPORT for PNB Meeting November 21, 2024 – CAN BE SHARED WITH LSBs and COMMITTEES
Submitted by Stephanie Wells

PAYABLES

KNOWN AGED PAYABLES as of 12/05/2024		AMOUNT DUE
TOTAL PAYABLES		\$ 542,494
LOAN INFORMATION		
	Total outstanding principal	\$ 1,945,201.40
	Payment due December 31, 2024	\$ 29,991.88

CENTRAL SERVICE PAYMENTS PAID

DIVISION	Central Service Payments Received 11/1 - 12/5
Pacifica Affiliates Network (PAN)	\$ 3,200
KPFA	\$ 51,999
KPFK	\$ -
KPFT	\$ 11,884
WBAI	\$ -
WPFW	\$ 25,280

SPENDDOWN OF PROCEEDS FROM SALE OF BUILDING

Vendor	Description	Amount
Deposit from Los Angeles building sale after payment of liens		\$ 531,027.76
ACD	WBAI Call Center outstanding balance	\$ 154,722.00
Allegiance	Outstanding Balance (PNO, WBAI, KPFK)	\$ 75,618.64
Best California Movers	PRA - Moving from Cahuenga to storage facilities (two days)	\$ 5,892.00
Constant Contact	Local Board Elections email service (May through Oct)	\$ 1,897.27
Funds to cover KPFK PR Shortage	KPFK Payroll Shortage	\$ 6,202.74
Healthcare Insurance	KPFK Healthcare - Oct, Nov, Dec	\$ 23,085.00
KPFK Office Rent	November, December	\$ 5,850.00
KPFK Office Rent	November, December	\$ 4,362.00
John Gilkey Piano Movers and Storage	KPFK - Piano Moving and Storage for one year	\$ 2,500.00
Junk Luggers	PRA - Junk Removal from storage facilities	\$ 1,830.00
Junk Luggers	Junk Removal from Chauenga building (two days)	\$ 5,237.00
Lowe's and Home Depot	PRA and KPFK - Moving Supplies	\$ 99.60
Renee Asteria	NES Balance due	\$ 32,520.00
Southern California Edison	KPFK Tower Electric bill (October, November, December)	\$ 21,604.00
Uhaul Truck Rental	PRA - Moving from Cahuenga to storage facilities (four days rental and gas)	\$ 616.85
Uline	PRA packing boxes outstanding bill	\$ 2,315.48
Total as of 11/7/24		\$ 344,352.58
TO BE PAID		
Rogers & Company	Audit and taxes (2022 and 2023)	\$ 106,550.00
TOTAL		\$ 450,902.58
REMAINING FUNDS		\$ 80,125.18