

WBAI Treasurer's Report
November 22, 2013

The National Finance Committee (NFC) met on October 16, 22, and 29. The NFC approved draft FY14 budgets for the Pacifica National Office and the Pacifica Radio Archives and has recommended that the Pacifica National Board (PNB) approve them. A significant assumption in the PRA FY14 budget is that *all* of the Pacifica stations will pay 100% of their "Shared Services" fees, formerly referred to as "Central Services" fees. This fee is 2½% of each station's Listener Support line. The NFC met on October 29, with the purpose of reviewing and approving a consolidated budget for the Pacifica Foundation Radio (the current name of what had been the Pacifica Foundation) but the National Office was unable to provide a consolidated budget for consideration. The NFC will meet again on November 26, when it should be able to take up consideration of the consolidated budget. At that time the issue of WBAI's SCA payments should be brought up as per the motion passed at the October 9, 2013, WBAI LSB meeting.

The National Office has released the Profit & Loss statement and Balance Sheet for all of the Pacifica stations for the eleven months ending August 31, 2013. They show a total income for WBAI for that period of \$2,671,015.49, and a total deficit for the period of \$607,699.03. The magnitude of this deficit is very bad. It is also important to note that WBAI has for a number of years been sustained by various types of loans from other Pacifica stations. In this reporting period the entire Pacifica Foundation Radio has come up with a total deficit of \$1,527,448.24, which of course includes WBAI's deficit. The rest of Pacifica is therefore showing a deficit of \$919,749.21. **WBAI is running a large chronic deficit and is relying on financial support from the larger foundation which is itself running a deficit of about \$920,000. This is a serious dilemma and is obviously not a situation that can go on for much longer.** Another important figure from the balance sheet is WBAI's "Inter-stations Receivable" which at the end of August stood at \$3,353,629.66. This is the accumulated debt owed by WBAI to all of the rest of the Pacifica Foundation Radio.

The local Finance Committee met on October 15, and November 6. The committee is setting up a sub-committee to come up with questions about the Public Operating Service Agreement (PSOA) that is the subject of the Request for Proposals put out by Pacifica Management in October. The committee has expressed displeasure at the unavailability of the General Manager at a recent meeting. The issue of access to the meeting space at 388 Atlantic Ave. and WBAI's compliance with the Americans with Disabilities Act has come up at meetings because of occasional restrictions and disputes with other tenants over access to the elevator at the building when people need to use it in order to attend the public local Finance Committee meetings. The next local Finance Committee meeting will be on December 4, 2013.

The General Manager has announced that WBAI is finally done paying back rent to Silverstein Properties. The General Manager told me that WBAI should be able to pay the Empire State Building rent by today. Below is the history of payments as the General Manager has presented them.

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Payment Arrangement with Silverstein Properties, LLC						
Bill Date	Bills	WBAI Payment	Payment Type	Check #	Payment Date	Balance
Misc	\$6,918	\$37,521.11	Credit			\$(30,603.11)
3/15/2013	\$30,000	\$30,000.00	Check		3/7/2013	\$(30,603.11)
3/31/2013	\$20,000					\$(10,603.11)
4/30/2013	\$20,000	\$20,000.00	Check	2236	4/2/2013	\$(10,603.11)
5/31/2013	\$20,000	\$20,000.00	Check	2304	5/23/2013	\$(10,603.11)
6/30/2013	\$20,000	\$20,000.00	Check	2347	6/19/2013	\$(10,603.11)
7/31/2013	\$20,000					\$9,396.89
8/31/2013	\$20,000	\$29,396.89	Check	2532	10/21/2013	\$-
Total	\$156,918	156,918.00				0.00

The station held an on-air fund raiser from October 1, to November 1. The final tally of the drive was \$636,893.83. On November 19, the General Manager released the following information on WBAI's expenses for October 2013, showing that a lot of the revenue from the on-air fund raiser has already gone to expenses. Pressing back debts appear to have made a significant dent in WBAI's cash situation.

FundDrive Revenue	\$464,179.02
Expenses Description	Amount
Gary Null	\$51,000.00
Essential Publishing, Inc. (Gary Null)	\$12,864.64
Water Filter (Gary Null)	\$6,000.00
Pacifica Operating	\$33,949.76
Pacifica Payroll	\$40,853.75
Empire State	\$94,869.79
Tri-State (Moving)	\$3,000.00
Health Benefits	\$17,000.00
WPFW - Payback	\$85,000.00
Rent	\$11,796.99
City College	\$10,000.00
120 Wall Street (Silverstein)	\$29,396.89
Andrew Phillips	\$10,166.67
Call Center	\$30,000.00
Phone Bills	\$7,000.00
Total	\$442,898.49
Net - In the Bank	\$21,280.53

The on-air fund raiser had originally been scheduled to run from October 1, to 25. By the

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end of October 25, the on-air fund raiser had come up only \$4,081.37 short of the goal. However an additional week was added to the drive. Management had stated that it had extended the drive by seven days “to help reduce our debts and obligations like the severance.”

The estimate I’ve heard of the severance pay owed to the laid off Paid Staff is between \$225,000 and \$250,000. It was projected that the drive extension would provide \$105,000 to put against that debt. It appears, however, that other pressing debts have had to be paid with that money. The layoffs of Paid Staff occurred in August, the severance pay was due then. The matter of the much delayed severance pay owed to these laid off workers has been brought to the NLRB. In the opinion of this Treasurer the severance pay owed to those workers is a moral as well as a financial obligation and if WBAI can’t come up with the money for it pretty soon then the Pacifica Foundation Radio needs to take steps to pay that debt - before WBAI and Pacifica end up with another lawsuit.

Speaking of lawsuits, a meritless lawsuit filed in the past by former Program Director Bernard White has been thrown out of court, so there will be no settlement payments in this case. The extent of the legal costs to WBAI and Pacifica for defending the station against this case are not yet known.

WBAI has a small amount of cash on hand, and the General Manager has told me that the station will need help in order to meet the next payroll. The next on-air fund raiser, a mini-thon, is scheduled for December. Looking just a little further ahead, January and early February are the traditional lean financial times for all of Pacifica. WBAI is cash strapped only three weeks after a successful on-air fund raiser. Thought must be given to how the station is going to make it to the December on-air fund raiser and to how that revenue is going to sustain WBAI until the Winter on-air fund raiser, which is usually begun in February.

R. Paul Martin
WBAI LSB Treasurer