

WBAI Treasurer's Report
June 8, 2022

The local Finance Committee met on May 18, 2022. The National Finance Committee (NFC) met on May 24, 2022. Both of these meetings were held by teleconference.

At the May 18, 2022, local Finance Committee meeting there was discussion of the previously reported Internal Revenue Service (IRS) seizure of more than \$93,000 from some Pacifica bank accounts. In fact about \$120,000 had been seized owing to the way the seizure was done. The PNB Treasurer told the committee that he had been informed by the Pacifica CFO that the excess amount that had been seized had been returned.

The General Manager sent a report to the committee before the meeting (A copy of the General Manager's "WBAI LSB Finance Committee Report – May 18, 2022" is appended to this report). The General Manager said that WBAI had about \$10,000 cash the bank. He said that April had not been a good month. He welcomed the National Educational Telecommunications Association (NETA) Monthly Income Statement for March that said that WBAI's revenue had been higher than the previous year by 10%, but he disputed the part of the income statement that showed WBAI's expenses for that period being higher by 6%. He said that he believed that in fact WBAI's expenses had been lower by 6%. He said that Christine Blodale was not available for pitching because she was busy at KPFA. He said that the station relied on a few shows, including Ms. Blodale and Gary Null, to raise about 90% of the station's on-air fund raiser revenue. He said that there was very little of Ms. Blodale in April and maybe that would also be the case in May. He said that WBAI Management is running out of ideas for fund raising premiums. He said that the producers need to step up and that's not happening. He said that the station was not in a bad position at that time, and that we were only about \$10,000 short of goal as of May 15th, but he said it did not look good for the rest of the month because the station was running out of premiums to pitch. He said that the station had gotten a grant of \$11,000 from the New York City Department of Transportation, and that he'd applied for a grant from what he called the Department of Art but he said that it did not look promising. He said that there was a bequest of about \$5,000 that should be coming as soon as Pacifica's General Counsel tells the lawyer handling that bequest that WBAI and Pacifica are the same entity. He said we need more money. He said that listenership was growing; the 7:00 AM time slot now has about 6,500 listeners where it used to be about 400. He said that on Thursdays that time slot has 10,800 listeners. He said that WBAI has a 1.0 share of the market whereas it used to be a 0.1 share. He said that other time slots were also getting more listeners. He said that as listenership increases eventually the money will come, but we need it now. He said that he was working with the Executive Director and NETA to make things work, the CFO goes over the finances with him and there are now checks and balances.

There was a short discussion of the General Manager's A/P Aging Summary As of April 20, 2022, that he'd presented last month showing that the station didn't owe any Tower or studio rent, but the General Manager had sent out an E-mail appealing for funds to pay a Tower rent that was in arrears by two months. He said that the A/P Aging Summary had been corrected. We discussed the General Manager's Accounts Payable that he'd presented to the committee at this meeting (the General Manager's "WBAI 99.5 FM Radio Pacifica Foundation_New A/P Aging Summary As of May 18, 2022" is appended to this report). Some old items were on that summary and they all had a \$0 balance. The General Manager said that he is now going to leave everything as it comes out of Quickbooks and he is not cleaning them up. It was established that WBAI had owed 4 Times Square Tower Rent for April and May until four days before this meeting, but a payment was made and the station only owed Tower Rent for May at the time of this meeting. He said that phase II of the Tower Rent would start in June. He said he wanted to send an E-mail to everyone who had donated in phase I of the Emergency Tower Fund asking them to repeat their previous donation. He said that a year of Tower Rent comes to almost \$200,000. There was a discussion about asking people to donate to something they've already donated for. He said that the goal for phase I had been \$250,000 but the on-air fund raiser had only raised about \$80,000. He said he was making it clear that this is a continuation of the attempt to get the \$250,000. He said he hoped that this worked and if it does it will put WBAI in a decent position considering the situation of the network. He said his priority for paying bills had been payroll, Tower Rent, studio rent, consultants and then the

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health insurance premiums. He said that the new directive is that the priority be payroll followed by the health insurance premiums, Tower Rent, studio rent and then consultants and other bills. He said that the Tower Rent represents a lot of stress on WBAI. The issue of donor fatigue was mentioned. The General Manager said that the way to go was to get small grants. He said that most not-for-profit organizations get a third of their money from grants. He said that if WBAI got that it would amount to about \$600,000 and if WBAI got that much more revenue it would make the station look like a brand new baby. He said he resented the argument that WBAI and Pacifica can't get grants because grantors see our situation as so dire that they do not want to throw good money after bad. He said we're not in a good position *because* they're not giving us grants. He said he wants to get small grants amounting to \$5,000 to \$10,000 a month. He said he is checking out the Department of Health and small organizations that could give a few hundred or a few thousand a month regularly, and that would relieve some of the pressure on the same listeners.

In answer to some questions the General Manager said that with regard to funds that may be available from a search engine that gives 1¢ to an organization for each search done citing that organization as the recipient of the penny that the person who'd set that up has been missing. The General Manager said that the search engine account had been set up about six years ago. With regard to PayPal not passing funds along from one vendor the General Manager said that he's given up on that. He said that regarding a Major Donor whose \$5,000 check we couldn't deposit because Chase Bank won't authorize payment to "WBAI," we lost that too. He said that he and the Web master have filed forms with PayPal and it has not worked.

Later in the meeting the General Manager said that he'd been working on getting discretionary funds from the New York City Council.

The committee discussed the willingness of some stations to cooperate with each other to raise funds for all. The \$300,000 awarded to John Vernile was also discussed.

Christine Blonsdale attended the meeting and committee members discussed a number of issues with her.

At the May 24, 2022, NFC meeting in answer to a question I'd asked about Pacifica filing its application to join the Corporation for Public Broadcasting (CPB) **the Executive Director said that Pacifica was not eligible to apply because there are eligibility requirements for applying for CPB membership that Pacifica has not met and you need to be in compliance with all of the CPB eligibility requirements prior to the application period opening. The Executive Director said that we would have to wait until 2023, to apply to join the CPB.**

The Executive Director said that based upon a letter Pacifica had received in 2017, from the CPB there were some financial documents relating to the eligibility requirements that showed that Pacifica had not met those requirements. She said that Pacifica had not done anything at that time to provide the CPB with the information that they needed. She said that in conversations she's had with people at the CPB all of those requirements from that letter still need to be met and the CPB needs to review those prior to Pacifica being eligible to apply for CPB membership. **The Executive Director said that we were hoping to be able to apply and meet those eligibility requirements after the application process, but the CPB says we need to answer their questions from years ago and be in compliance prior to the opening of the application window.** The Executive Director said that we know what those requirements are and we need to start working on those to make sure that we are in good standing with them during this upcoming year and then we will be in compliance by the time the window opens next year. The Executive Director was asked what the questions were in that letter and she said that it would not be a problem to send that letter out. She said that it had been sent to two Executive Directors before her and she could pull that and forward it to people. The CFO said she would look for that 2017, letter too. There had also been a letter from the CPB in 2013.

The Executive Director said there are audience level requirement and also a percentage of funding that has to come in from sources other than listeners, so Pacifica needs to find a certain level of funding from other sources and we don't meet that requirement either at some of the stations.

The CFO said that in the conversation that was had with the CPB people Pacifica's inability to pay its

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bills was something else the CPB was struggling with. The Executive Director agreed and said that she'd spoken to three people at the CPB and all had brought up the issue of fiscal management and fiscal irresponsibility as things they have been looking at over the past few years. Leadership instability was also an issue the people at the CPB had brought up.

At this NFC meeting the CFO said that the amount the Internal Revenue Service (IRS) had seized was about \$93,300. She said that the IRS had since sent a release of levy notice to the stations' banks and the amounts removed in excess of the levy amounts have been returned and KPFT and Pacifica Radio Archives (PRA) have been made whole by Wells-Fargo. She said that as far as the actual levy we do have a chance of that being reduced but there's still work that needs to be done.

The CFO said that Pacifica has about \$176,000 left in the Economic Injury Disaster Loan fund.

The CFO went over the Monthly Income Statement For the Seven Months Ending Saturday, April 30, 2022, which I had sent to the LSB and the local Finance Committee on May 24. **This April Income Statement shows WBAI with a YTD deficit of \$225,938.** She said that the Accounts Payable for the National Office was about \$260,000 and that over \$100,000 of that is legal fees. She said that there will be enough to pay the interest on the FJC loan. She said that YTD consolidated revenue is down 24% and expenses were down 7%. She noted that WBAI has been catching up on its health insurance premiums. WBAI has had an arrearage with the National Office on unpaid health insurance premiums and so catching up also helps the National Office. The CFO said that the National Office is owed about \$550,000 in Central Services payments for FY22 alone. The Monthly Income Statement through the end of April shows WBAI as owing \$134,472 in Central Services payments to the National Office and \$33,775 to PRA.

Below is the CFO's tally for stations' Central Services payments.

PACIFICA STATION PAYMENTS													TOTAL FOR PERIOD	LESS PAID	UNPAID
FY22															
CENTRAL SERVICES															
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUGUST	SEPTEMBER			
✓ KPFA		34,656.00	68,332.00	25,000.00	38,833.00	18,332.00	34,656.00	34,566.00					277,328	258,895	17,333 ✓
KPFC													294,630	-	294,630
KPFT													95,072	-	95,072
WBAI													134,472	-	134,472
✓ WPFW	15,307.00	15,307.00	15,307.00	15,307.00	15,307.00	15,307.00	15,307.00						122,456	107,148	15,307 ✓
	15,307.00	49,971.00	88,839.00	64,307.00	54,148.00	36,139.00	49,971.00	34,566.00	-	-	-	-	921,980	367,143	558,836 ✓
PRA CENTRAL SERVICES													TOTAL FOR PERIOD	LESS PAID	UNPAID
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUGUST	SEPTEMBER			
✓ KPFA	4,622.00	4,622.00	4,622.00	4,622.00	4,622.00	4,622.00	4,622.00						36,976	32,354	4,622 ✓
KPFC													39,280	-	39,280
KPFT	1,585.00												13,680	1,585	11,095
WBAI													33,776	-	33,776
✓ WPFW	2,041.00	2,041.00	2,041.00	2,041.00	2,041.00	2,041.00	2,041.00						16,328	14,287	2,041 ✓
	8,248.00	6,663.00	6,663.00	6,663.00	6,663.00	6,663.00	6,663.00						139,040.00	48,226.00	90,814 ✓

So not only has Pacifica been hit by a \$93,300 fine from the IRS, apparently caused by someone at Pacifica not filing a form, or not filing it properly, but now we learn that Pacifica has not applied for membership in the CPB. At that NFC meeting various Directors said that they'd all known about this all along. I never heard anything about not being able to apply for CPB membership on the NFC. Maybe some information in Pacifica is a little too compartmentalized. In any event, this is a blow. I know that the WBAI General Manager had been looking forward to the CPB Community Service Grant he'd anticipated for WBAI next year and had hoped that it would put WBAI in the black for the next fiscal year. That can't happen now.

KPFC and KPFT are in bad shape. They are having big problems with their on-air fund raisers. KPFC had gotten notice that their electricity would be turned off, although I think that they should be able to fight that, and KPFT is having to figure out how to make their new building operational. Right now they don't have enough money to get everything working.

Yes, I am pessimistic. Only KPFA and WPFW are operating in the black. And KPFA seems to be

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faltering. How many of the five Pacifica stations can be operating at a deficit before it all collapses? Also, with other stations in even worse shape than WBAI we are less likely to get financial help from the other stations in case of an emergency. I'm sure that the CPB is taking notice of the shenanigans from various factions that have been trying to hijack the Pacifica Foundation by bylaws referendums, and the CPB probably know that a Pacifica Director has filed a complaint with the Federal Communications Commission to prevent the renewal of WBAI's license. I'm sure that's all going to factor into their consideration of any application Pacifica may make to join the CPB, if indeed Pacifica ever does apply.

The next NFC meeting is scheduled for Tuesday June 14, 2022, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, June 15, 2022, at 7:00 PM (ET). Both of 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 May 18, 2022**

Description	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
4TS - 4 Times Square		\$16,538.46		\$0.30		\$16,538.76
ACD Direct, Inc.	\$6,337.81	\$6,943.13			\$7,577.73	\$20,858.67
Allegiance Fundraising LLC		\$349.00				\$349.00
Amazon.com		\$16.32				\$16.32
Associated Press, AP		\$328.88				\$328.88
B&H Photo		\$111.83			(\$293.96)	(\$182.13)
BMI Music Square					\$4,662.00	\$4,662.00
Bob Hennely		\$250.00				\$250.00
Chicago Distribution Center		\$615.35				\$615.35
CLEANFEED LONDON 12/03		\$22.00				\$22.00
Constant Contact		\$315.00				\$315.00
Empire State Building					\$0.00	\$0.00
Felipe Luciano		\$250.00				\$250.00
Fortunato Flores		\$450.00				\$450.00
Foster Garvey PC			\$725.00			\$725.00
Frenchie Davis		\$125.00				\$125.00
Fusion		\$382.92				\$382.92
Gary Null & Associates					\$0.00	\$0.00
Hanna Worthy Simpson		\$1,500.00				\$1,500.00
Health Care Bill Back				\$2,013.90	\$169,988.62	\$172,002.52
Keziah Glow		\$1,000.00				\$1,000.00
Linda Sarsour			\$375.00			\$375.00
Lylburn Downing					\$1,166.67	\$1,166.67
NFCB					\$3,875.00	\$3,875.00
Pacifica National Office - PNO		\$16,890.00	\$16,890.00	\$16,890.00	\$515,123.62	\$565,793.62
Pacifica Radio Archives - PRA (Central		\$4,222.00	\$4,222.00	\$4,222.00	\$256,604.50	\$269,270.50
Paul DeRienzo			\$272.00			\$272.00

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Payroll Expenses					\$145,088.80	\$145,088.80
Protekt			\$162.18			\$162.18
Radio Research Consortium - RRC - Arbitron				\$3,455.00		\$3,455.00
Rebecca Myles		\$125.00			\$375.00	\$500.00
Signius					\$0.00	\$0.00
Soundcloud Inc.		\$16.00				\$16.00
Staples		\$33.99				\$33.99
The Commons Foundation		\$5,300.00	\$5,300.00			\$10,600.00
Time Warner Cable 388		\$787.35				\$787.35
Withdrawal					(\$500.00)	(\$500.00)
WPFW					\$0.00	\$0.00
TOTAL	\$6,337.81	\$56,572.23	\$27,946.18	\$26,581.20	\$1,103,667.98	\$1,221,105.40
Wednesday, May 18, 2022 11:52:48 AM GMT-7						



WBAI LSB Finance Committee Report – May 18, 2022

At the last WBAI LSB Finance Committee I gave an Outstanding Payables (A/P) that was missing some bills. At the WBAI LSB meeting the A/P was corrected. I have been working with the CFO to establish a sturdier system. We are attempting to record all bills as they come immediately and send them to NETA for entry so that the payables may be more accurate and in sync with NETA. I can't guarantee a perfect system because this is an extra task that I am doing which I do not have enough time to monitor consistently. Bills come thru e-mails, phone calls, many are automatically paid online and some require that WBAI go online to retrieve. Although I have a list of most major monthly items they are sometimes missed. The CFO has access to and monitors all files and accounts. This is how WBAI is building towards a system of checks and balances and accountability that addresses one of the deficiencies in our audit year after year.

1. 2022-05-18: In Chase Bank: \$10,325.38 and \$30.87 in PayPal
2. Rent at 388 Atlantic (Office) \$5,300.00 – we owe 2 months or \$10,600.00
3. 4TS (The Tower Rent) we owe May 2022 or \$16,500.00

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4. 4. Payroll is
current
5. Healthcare – We owe 3 months October, November and December 2021 in fiscal year 2022 but have been paying it regularly since January 2022.
5. WBAI Buddy (sustainers) is still averaging \$18,000.00 per month
6. The official Financial Statement of March 2022 were completed and the Treasurer, R. Paul Martin, should have them for the committee
7. Attached are the Payables.