

WBAI Treasurer's Report
July 13, 2022

The National Finance Committee (NFC) met on June 14, 2022. The local Finance Committee met on June 15, 2022. Both of these meetings were held by teleconference.

At the June 14, 2022, NFC meeting The Executive Director said that the PNB Strategic Planning Committee had met with key Staff from each of the stations and they had created a National Fund Drive Working Group made up of Staff from each division and that they would be meeting with a goal of having a two day on-air fund raiser in early July. [This on-air fund raiser was indeed done as was an on-air fund raiser to help the Pacifica Radio Archives to make payroll in the face of their not getting the Central Services payments that they were supposed to be getting.] The Executive Director said the PNB Strategic Planning Committee and key Staff from each of the stations were brainstorming to see what they need to do to move forward. The Executive Director said that she was focusing on budgeting for FY23.

At this meeting the CFO told the committee that she'd been working on the audit and that completion of the audit would be extremely close to the deadline. She said that as of the date of this meeting the National Office had about \$52,000 cash in bank and payables of about \$330,000. She said that she felt good about WBAI, WPFW, KPFA and the Pacifica Affiliates Network funding their payrolls by the end of the month, and that KPFT thought they would be able to by the end of the month. She said that KPFT, PRA and KPFK are in a week by week situation about whether or not they can fund payroll. These details are important to WBAI because if WBAI needs financial help and other stations are in worse shape than we are the station could end up in serious need of an inter-unit cash loan but find that no cash is available.

The CFO said that completion of the audit would be extremely close to the deadline and they were working feverishly to accomplish that. She said that Pacifica had made the first payment to the auditors for the FY21 audit.

The NFC discussed the problem of financing the National Office with so many stations not paying Central Services fees. The CFO said that either you raise more money or you cut expenses. She said that Pacifica can't survive on on-air fund raisers alone that are based on generating individual gifts of \$140 to \$200 after which you still have to take a percentage of that for the call center, premiums, mailings and Staff. She said that's not a business model that's going to work. She said that the stations need to start looking at getting donors to give \$500 or \$1,000 or \$5,000 because they believe in what the station is doing, instead of just buying a \$150 product. The CFO talked about data mining in stations' *Allegiance* reports; who gives, at what level, and who gives consistently? She said that the stations need to ask for bigger gifts and not sell premiums.

A motion was presented to the NFC that any and all proposed new, unbudgeted, transactions in excess of \$10,000 per fiscal budget year (cumulative) shall require PNB approval in advance. This would mean that unbudgeted expenditures would have a \$10,000 limit. The motion was postponed to the next NFC meeting. Whether this passes or not it will need people watching it. A similar motion with a \$5,000 limit was passed by the PNB in 2013, and it was ignored a couple of years later when the WBAI General Manager spent \$50,000 on something

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that ended up not helping the station.

At the June 15, 2022, local Finance Committee meeting the General Manager only showed up at the meeting during New Business. The General Manager told the committee that the station was caught up with one month's rent at 388 Atlantic Ave. He said that the station had about \$8,000 cash in bank. He said that the station was waiting for a \$5,000 bequest to come through and that there was another bequest for about \$3,000 being held by a bank for some reason. He said that this put the station in a situation where we might be caught up with one more month of Tower Rent at 4 Times Square while he makes sure that the station can make payroll. He said that the station was sending out a lot of premiums. He said that the station got a credit from Gary Null, whose premiums have been pitched extensively, and that the outstanding premiums have been sent out. He told the committee that the current Tower Fund pitch was not going as well as the first one. He said that the station would need to do a long pitch for the Tower Rent every six months, in June and December of every year. He noted that the station had missed two health insurance premiums in FY22 which amounted to about \$11,000 but had been making all of the others. He said that he'd met with the board operators to let them know urgency of the on-air fund raiser for the Tower Rent. He said that the station might air fewer Public Service Announcements (PSAs) and pitch the Tower Rent more.

The committee discussed PSAs. The General Manager said that WBAI does not have a policy regarding them and that the acceptance of PSAs for the air is done on a case by case basis. He said that the station does PSAs for non-profits or agencies. There was a discussion of WBAI playing a PSA for the New York City Department of Transportation's Vision Zero project which tells pedestrians to watch out crossing the street and tell drivers to watch out for pedestrians. The General Manager said that these PSAs can't possibly be controversial. He said that WBAI produced the PSAs and he got the arrangements for the PSAs approved by the Executive Director, the General Counsel and the CFO. The General Manager said that WBAI was paid \$5,000 for airing the PSA in May and \$5,000 for airing the PSA in June and the station was paid \$2,000 for producing the PSA itself; he said we may also get another \$5,000 for airing it in July.

The scheduled meeting of the NFC for June 28, 2022, was cancelled because work on completion of the audit was continuing and was the best use of the time of the CFO and other Committee members. The scheduled meeting of the NFC for July 12, 2022, was cancelled because the committee could not achieve quorum.

On the morning of June 30, WBAI Director Jim Dingeman sent out an E-mail letting us all know that **the National Educational Telecommunications Association (NETA) had given Pacifica notice that they would end their contract with Pacifica when FY22 was over at the end of September.**

Pacifica did not file its FY21 audit by the June 30, 2022, deadline.

Although the NFC did not meet on July 12, 2022, the CFO sent out a monthly Income Statement through the end of May. From that statement and some ancillary information from the

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CFO it *preliminarily* looks like WBAI was showing a deficit of about \$230,000 as of May 31, 2022.

The loss of NETA starting in FY23 qualifies as a major blow to Pacifica. NETA has been one of the best things that's happened to Pacifica in the past several years. They're competent, which is a quality not often encountered within Pacifica. I know that Pacifica has a spotty history of paying them for the vital work that they have been doing for us; I don't know if that played a role in NETA's decision. The FY21 audit was not posted on time. I suspect that this was because even with the common sense and standard accounting practices that NETA has tried to implement within Pacifica some stations just were not producing the documents that were needed for this audit in a timely manner.

It is very unusual for the NFC to cancel two meetings in a row. I think it will not do that again soon.

The news that NETA will not be handling Pacifica's financial accounting, coming on the heels of the news last month that Pacifica did not apply for Corporation for Public Broadcasting membership and the missing of the June 30, deadline for the FY21 audit is disturbing. I don't know how Pacifica is going to get along without NETA trying mightily to get all of the stations and other parts of Pacifica to handle their financial accounting in a businesslike manner. Those who have been paying attention for years will remember that Pacifica had not been able to get audits done for six or seven years prior to NETA showing up. NETA's services probably cost less than the salaries of the various CFOs and accounting "professionals" that used to occupy the National Office and other nooks and crannies of Pacifica years ago. I'm sure that the FY21 audit will get done pretty soon, but it will still be late.

I've been pessimistic about Pacifica's ability to survive in the long term for quite a while. Currently WBAI and Pacifica Management have violated the bylaws with regard to a personnel matter. There is no National Elections Supervisor, even though in this Pacifica election year one should have been hired months ago. If Pacifica doesn't have its elections this year we could end up in the same situation as in 2013, when money was saved by foregoing elections. The result of that penny wise and pound foolish decision was a disaster that cost Pacifica a lot more than an election would have cost. All of this happening at once, and with various factions aiming to hijack the entire Foundation, could really spell doom for Pacifica and WBAI.

The next NFC meeting is scheduled for Tuesday July 26, 2022, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, July 20, 2022, at 7:00 PM (ET). Both of these meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer