

WBAI Treasurer's Report  
July 9, 2014

The National Finance Committee (NFC) had been set to meet on June 24, 2014, however that meeting was cancelled. I have been told that Pacifica had failed to pay the teleconferencing company's bill and the company had cut off Pacifica's access to the service. Access has been restored.

The NFC met on July 8, 2014. The CFO gave a report that touched on several points.

**The FY13 Audit**

The CFO reported that the National Office had hoped to get the audit schedules to the auditors for the FY13 audit by June 30, but they found that they had not been done. He said that the audit will now be delayed an additional two to three weeks while the work of getting the audit schedules together goes on. He is not sure how this is all going to be presented to the auditors. He's giving himself a deadline of the middle of July to get information from the Business Managers, after which the National Office will get the information to the auditors, and then the auditors will begin the actual audit with the field work, etc. that has taken so long for past Pacifica audits.

**Financial Statements**

The CFO said that the National Office is unable to produce a balance sheet at this time.

The CFO said that income statements are currently being reviewed. The National Office has discovered that bank reconciliations have not been done, there are bank accounts on the east coast that he seemed to not be sure about. He noted that cash transactions have a lot of unrecorded transfers, mostly inter-company. He said that the National Office needs to start gathering this information and input it all into the FY14 financials. He said they do not have payroll entries starting from March 2014. He referenced the motion passed by the NFC asking for all five stations' current financials through June by July 10, 2014; he said, "Obviously that's probably unrealistic right now." He said that by July 30, the National Office will be able to provide the NFC with more accurate or more complete financial statements through June 30, but that they might not be able to reconcile most of the accounts. The National Office will, however, be able to record them. Their goal is to get caught up recording Pacifica's financial data for the last six months.

**The FY15 Budget**

The CFO said he believes that the stations are all working on their draft FY15 budgets and he sees his role as reviewing them and giving advice.

**CPB Grants**

The CFO reported that he and the Pacifica interim Executive Director and PNB Chair Margy Wilkinson will be in contact with each other, that they have not yet contacted Pacifica's FCC attorney John Crigler about updates regarding Pacifica's CPB funding. WBAI last got CPB funding in December 2012. WBAI has pending a total of \$90,512 in CPB funding, of which \$66,888 would be an unrestricted grant, with \$23,624 being for FSRN.

In response to a question the CFO said that the possibility has been brought up that Pacifica could do bi-annual audits, but that has to be checked with Pacifica's FCC attorney John Crigler. They will also have to contact Mr. Crigler about the chances that Pacifica will get the second installment of the FY13 CPB grants. The CFO said that he doesn't know if Pacifica is in talks with the CPB regarding getting that second installment. He also has to check with the lawyer about what happens if Pacifica doesn't meet the current deadline for the audit.

It was noted that even if the CPB doesn't require an annual audit the State of California, where Pacifica Foundation Radio is incorporated, does require an annual audit.

The NFC discussed the fact that all of Pacifica is way behind the annual budget timeline. Getting

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the budgets done will require financial statements from the National Office, which the CFO has said he'll provide by mid-August.

WBAI's Spring 'thon's budgeted goal was \$470,500 in 25 days; the 'thon ended with a tally of \$462,764 after 42 days. The 'thon averaged a tally of \$11,018 a day, which is 58.5% of the budgeted goal per day. We have to take that into account for the FY15 budget.

The local Finance Committee met on July 1, 2014. The General Manager reported that the Empire State Building (ESB) had returned WBAI's June rent payment. The ESB wanted WBAI to sign an agreement that the station would make its rent payments on time for the next six years. The General Manager refused to sign such an agreement. Currently we owe ESB for June and July. The returned June ESB rent payment was used to pay other bills. The General Manager is now engaged in what he described as friendly talks with ESB and the owners of 4 Times Square.

After WBAI's June rent payment was returned by ESB, Pacifica Engineering Consultant Don Mussel filed a request to move WBAI's antenna to 4 Times Square. That formal request has since been removed from the FCC Web site.

The General Manager reported that WBAI currently owes four months rent on 388 Atlantic Ave., and three months rent on the studios at CCNY and that with the rent owed the ESB this amounts to about \$136,000. At the time of the local Finance Committee meeting the station had about \$3,000 cash in bank.

WBAI paid a payroll for Pacifica Radio Archives, repaid KPFA \$6,000 and KPFK \$19,000 which was owed them, the National Office borrowed \$8,000. We still owe WPFW \$31,000. The General Manager is now trying to get credit for some Verizon charges. He further reported that the station has paid Gary Null the money it owed him. The BAI Buddy project is now bringing in about \$20,000 a month.

Regarding the FY15 budget, the General Manager presented the committee with a draft budget that is very similar to the FY14 budget. The General Manager wants to keep the station's daily on-air fund raiser tally budgeted at \$18,820 a day. I have said that we can't do that since we have not been able to attain that level for any on-air fund raiser this fiscal year. The General Manager wants to discuss the Listener Support category as the last item when the budget gets considered. I want it to be the first item that we base everything else on. The General Manager says that it's not possible for the station to function with less money, but if what's budgeted can't be realized then it's not real money and the station will run into problems during that fiscal year, as happened when the LSB and then station Management proposed, and the PNB approved of, fantasy budgets years ago.

The General Manager discussed changing some programming in order to bring in more revenue.

The committee passed the following. **Motion:** "The local Finance Committee urges the LSB and the PNB to move with great alacrity to get the CPB money and provide a report with objective facts and documentation to determine why this delay has happened."

The NFC meets next on July 22, 2014, and the local Finance Committee meets next on August 6, 2014.

R. Paul Martin  
WBAI LSB Treasurer