

WBAI Treasurer's Report
December 10, 2014

The National Finance Committee (NFC) met on November 19, and December 9. All of the FY15 budget proposals have been passed by the NFC. I was informed by PNB Treasurer Brian Edwards-Tiekert during last night's NFC meeting that the budgets have not yet been approved by the PNB. During the NFC's discussions on the budgets the CFO said that he wants to standardize how the stations calculate their tallies for on-air fund raisers and how they account for their cash flow.

Besides the motion passed by the NFC and sent to the PNB about the NFC doing monthly reviews of the budget vs. actual performance of all financial units, reported on in the November 12, 2014, Treasurer's Report, I was informed at last night's NFC meeting that a similar motion is in the queue for the PNB. Neither motion has been considered by the PNB yet.

It was reported at last night's NFC meeting that the Pacifica Radio Archives (PRA) network-wide on-air fund raiser had a goal of \$150,000 but it only raised a tally of \$60,000 to \$70,000. The CFO said that PRA could keep going for another month or two, but after that there will be financial problems for them as a result of this shortfall. The CFO said that this coming Thursday's meeting of Pacifica Management and station General Managers would be dedicated to a discussion of this shortfall.

The CFO said that there are discrepancies between the MEMSYS reports and the bank statements for all of the stations. Some stations have large discrepancies, which may result in the need to modify their FY15 budgets.

The CFO said that there is, "a lot of work that needs to be done," before the NFC, and the rest of Pacifica, can get regular, accurate financial statements. The CFO said that he could probably start generating the 2014, financials in January 2015. Right now his focus is on the FY13 audit, which he hopes can restart in mid-December.

The CFO said that WBAI is going to be able to make its December 15, payroll, but at the expense of not paying its *back*, FY14, Central Services fees. Most of the other stations are also falling behind in their Central Services payments. The CFO said that WBAI is two months behind on its health insurance payments from FY14. He said that WBAI has paid its current, FY15, Central Services fees through November.

Surplus	Station
\$66,715	KPFA
\$3,888	WPFW
\$3,136	KPFT
\$13	KPFK
(\$219,000)	WBAI

The National Office is trying to work out what past bills WBAI has paid and which are outstanding.

It was reported at last night's NFC meeting that the PNB has voted to authorize hiring more financial personnel for the National Office.

The NFC had a discussion about how the magnitude of past bills will affect the ability of the stations to make their FY15 budgets work. The NFC has scheduled a meeting for January 5, 2015, to discuss this topic.

WBAI isn't the only station with a significant amount of unpaid bills, besides the ones owed inside Pacifica. The FY15 budgets for the stations came up with the end of year surpluses in

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the table to the left, note that **WBAI is projecting a deficit of about \$219,000**. The reason for WBAI's huge deficit is largely because the NFC required that the WBAI FY15 budget proposal include the tower rent from the Empire State Building (ESB) at its currently contracted rate. The General Manager is currently in negotiations with the ESB about significantly lowering WBAI's monthly rent. The General Manager has expressed optimism regarding these negotiations to the local Finance Committee, the NFC and the LSB.

The NFC will only take up the question of how the past due bills will affect all of the budgets at its January 5, 2015, because it has been determined that the NFC probably can't get reliable financial statements to work with before then.

Getting reliable financial statements has been a problem for quite some time. The NFC can't get them, apparently the PNB isn't getting them either. Without such documents it is impossible to make an accurate estimation of the financial state of Pacifica and its parts, although it is obvious that the financial situation is dire from the stations' local reports. The local Finance Committee has asked the WBAI General Manager for some financial documents and he's said that he doesn't have the time to generate them. The local Finance Committee is currently working on a form for the General Manager to fill out that will contain some numbers that anyone responsible for the financial condition of a radio station should easily know.

The local Finance Committee attempted to meet on November 20, 2014, but the General Manager said that he couldn't attend it and he did not send any new financial documentation for the committee to look at. The local Finance Committee meeting did not achieve quorum that night and so the meeting was cancelled.

I have asked the General Manager for dates when he could make a local Finance Committee meeting, last Friday he said he could make one, "Tuesday in two weeks." I am attempting to get him to disambiguate that statement. When we get a date when the General Manager can attend a local Finance Committee meeting I will poll the committee to see what date the most members can attend and we'll post that date on KPFTX.ORG.

Regarding the General Manager's refusal to send the local Finance Committee certain financial information before the local Finance Committee meetings one committee member has said, "The real question is how does management manage without it!" Indeed.

Members of the local Finance Committee certainly hope that it will soon become possible for us to get the financial information we need to keep the LSB informed as to the state of WBAI's finances.

As far as I can tell, the general state of Pacifica's total financial situation has not improved since the last Treasurer's Report.

R. Paul Martin
WBAI LSB Treasurer