

WBAI Treasurer's Report  
February 11, 2015

In the General Manager's presentation to the LSB on January 14, 2015, his "WBAI Financials" spreadsheet gives the station's first quarter (Q1) FY15 "Net Income" actual as (\$57,917.11), a negative number. Listener Support and Total Revenue were also significantly lower than budgeted, as the table below shows.

<b>FY15 Q1</b>	<b>Listener Support</b>	<b>Total Revenue</b>
<b>Budgeted</b>	\$458,725.90	\$637,515.90
<b>Actual</b>	\$292,439.03	\$442,547.93
<b>Difference</b>	(\$166,286.87)	(\$194,967.97)

Given the substantial amount of unpaid bills from the previous fiscal year I cannot view these numbers optimistically.

The National Finance Committee (NFC) met on January 27, 2015, and February 10, 2015. During the January 27, meeting the CFO sent the NFC some financial documents. The CFO has sent out both a consolidated preliminary, unaudited Profit & Loss (P&L) statement for FY14 and one for WBAI alone. Unfortunately, these documents are very similar to the ones the CFO sent out some months ago, and they have significant flaws. Repeated again is the statement that the WBAI LSB spent \$25,000 in June of last year. At the February 10, NFC meeting I got the CFO to explain that this was actually a loan to WBAI from the landlord at 388 Atlantic Ave. and had nothing to do with the LSB. Also, "Listener Support" once again has a lot of other revenue sources lumped into it. This imprecision would frustrate an attempt to analyze WBAI's income owing to the lack of reliable data. These P&Ls, even taken as preliminary, are not very useful.

The CFO told the NFC that the National Office is getting all of its financial information collected in one place so as to comply with the California Attorney General's requests.

The CFO said that the NFC should get cash flow reports soon, but for a balance sheet the National Office has to get the FY13 financials done first because the Great Plains software won't let anyone do subsequent years until FY13 is done. The CFO said that he is looking to get additional staffing at the National Office to work on the schedules for the FY14 audit. At the January 27, NFC meeting the CFO said that within a week of that meeting he should be able to get the final signed audit for FY13.

At the February 10, NFC meeting the CFO reported that he is looking to get the FY13 audit done by March 1. He said that after that the auditors can start working on the FY14 audit, the deadline for which he said would be extended to the middle of April. The CFO is hoping to be able to raise the money needed to pay the auditors.

The NFC had a frank discussion last night about the state of the financial documents received from the National Office and about the likelihood of the FY14 audit being done by the CPB deadline. The bottom line is that there is no way to get a precise grasp of the current

financial situation of most of the stations in Pacifica.

As for the FY14 audit being completed within a six week period of time, the FY13 audit is not yet done after more than six months of assurances of its imminent completion.

If the FY14 audit isn't done by the deadline that will preclude any Pacifica station qualifying for CPB grants fir the next CPB funding cycle.

According to the CFO's "Preliminary, Unaudited Statement of Activities (P&L) For the Twelve Months Ending September 30, 2014," WBAI's net was (\$36,231), which I have questioned. The General Manager had reported on September 15, 2014, that WBAI had six figures of unpaid bills outstanding; that was only 15 days before the end of FY14. Did we really end FY14 only \$36,231 in the red? Here again it is hard to tell what the true situation is given the condition of the financial statements.

At the February 10, NFC meeting the CFO reported that a legal expense of \$90,000 owing to a lawsuit has been accrued to WBAI. The National Office will have to pay this fee, and it will be added on to WBAI's outstanding expenses.

WBAI currently has an on-air fund raiser going on. It is budgeted to last 31 days. Below are the latest tally totals as of the composition of this report.

<b>Day</b>	<b>Date</b>	<b>Tally</b>	<b>Total to date</b>	<b>Budgeted</b>	<b>Difference</b>	<b>Total Difference</b>
Monday	2015-02-02	\$7,480	\$7,480	\$15,476	(\$7,996)	(\$7,996)
Tuesday	2015-02-03	\$15,600	\$23,080	\$15,476	\$124	(\$7,872)
Wednesday	2015-02-04	\$14,030	\$37,110	\$15,476	(\$1,446)	(\$9,318)
Thursday	2015-02-05	\$15,490	\$52,600	\$15,476	\$14	(\$9,304)
Friday	2015-02-06	\$14,855	\$67,455	\$15,476	(\$621)	(\$9,925)
Saturday	2015-02-07	\$13,750	\$81,205	\$15,476	(\$1,726)	(\$11,651)
Sunday	2015-02-08	\$11,380	\$92,585	\$15,476	(\$4,096)	(\$15,747)
Monday	2015-02-09	\$18,125	\$110,710	\$15,476	\$2,649	(\$13,098)

This on-air fund raiser is going at a better rate so far than any of the ones during the calendar year 2014, did.

I have been informed that as of March 31, 2015, Verizon will no longer offer Radio Program Service Lines. These are the special phone lines that bring the audio signal from the studio to the transmitter at the Empire State Building. I have been told by Jon Almeleh that the work-around for this will probably cost around \$5,000. This will require the National Office to give clearance for such an expenditure, since WBAI Management is currently not allowed to spend more than \$500 without such approval.

The CFO reported that WBAI will be authorized to hire a part time Business Manager this year to handle accounting work and the sending of financial information to the National Office.

Around the rest of Pacifica money is still very tight. KPFT has finished their Winter on-air fund raiser and they have missed their goal by more than 25% which amounts to over \$71,000. KPFA is almost done with their on-air fund raiser and may miss their goal, although

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they'll have the option to extend it. KPFK, WPFW and WBAI still have quite a few days to go on their on-air fund raisers.

The NFC has discussed the idea of having a national day of on-air fund raising for the goal of replacing KPFT's transmitter, which has been operating at very low power for years and can't reach enough listeners. There are also FCC issues with the transmitter not being able to keep the station at its licensed broadcast power levels.

The next NFC meeting will be on February 24, 2015. The next local Finance Committee meeting will be on February 19, 2015, and due to construction at 388 Atlantic Ave. It cannot be held at the station. It is currently noticed as being held at the 60 Wall St. Atrium. The LSB may need to vote to allow the committee to meet outside of the station premises.

Currently I have a number of open questions to the General Manager about the expense details of the last few off-air fund raisers.

The local Finance Committee is looking to get more financial documents from the General Manager, and to have those documents be more detailed. If we can't get adequate financial information we can't assess the true state of WBAI's financial situation.

WBAI's current on-air fund raiser is running behind the budgeted daily rate, but it's going at a better daily rate than any of last year's on-air fund raisers did. The station still has substantial unpaid bills, the rest of Pacifica is shaky and the details of Pacifica's financials are not what they need to be. The deadline for sending requested materials to the California Attorney General is February 17, and there is no telling what could come out of that.

In my last Treasurer's Report I said that **Pacifica is at least illiquid, and is arguably insolvent**. This is still the case. Unless that long anticipated, and announced, large bequest comes through pretty soon I see no reason for optimism regarding WBAI and Pacifica's finances at this time.

R. Paul Martin  
WBAI LSB Treasurer