

WBAI Treasurer's Report
June 10, 2015

The National Finance Committee (NFC) met on April 14, April 28, May 12, May 26, and June 9, 2015.

At the April 14, 2015, meeting the CFO spent time going over a spreadsheet with details used to compile the FY13 audit he'd said he'd sent to the committee, but it turned out that he only sent it after he'd talked about it at the meeting. Once again members of the NFC had difficulty in opening the CFO's spreadsheets. The accuracy of some of the numbers in that spreadsheet, named "Consolidated Statement of Activities (from Audited FS) For the Twelve Months Ending September 30, 2013," was contested by some NFC members.

In relation to the network-wide deficits, the CFO said that he was confidentially working with the stations, the PNB and the interim Executive Director on a plan, including adding on-air fund raiser days in order to get Pacifica back on budget. The CFO said that he discovered that some payroll and personnel records were not in order, there were discrepancies in payments.

The CFO said that he was having trouble accessing the CPB Web site, but he was requesting a special deadline extension from the CPB, he said that the FY14 audit wouldn't be done by the May 15, 2015 deadline. The deadline for the CPB filing can only be extended to June 30, 2015.

At its April 14, 2015, meeting the NFC had scheduled an agenda item named, "Stations with big shortfalls" wherein the Treasurers of WBAI and KPFK were to report on what their stations are doing regarding their financial deficits. WBAI's General Manager sent me an E-mail apologizing for not being able to provide the NFC with any information at this meeting. I passed this E-mail on to the NFC. The General Manager ended his E-mail saying, "... please accept my apologies and allow me a few days to get back in touch with you." The General Manager has not followed up on this item.

The CFO said that the National Office is working with the WBAI General Manager to prioritize expenses.

At the April 28, 2015, NFC meeting the CFO announced that the National Office had finally gotten all of the logins needed to access the CPB Web site. At this meeting the CFO announced that Pacifica was switching to a Web based payroll service; he said that Pacifica can open payroll and Human Resources portals so people can submit time sheets, etc. on-line and this will save money and time.

At this meeting the CFO said that KPFA had received two major donations in the form of bequests amounting to about \$900,000. This windfall offset the revenue shortfalls at all of the other stations through March 15, 2015. With this windfall revenue Pacifica showed a net income surplus of about \$223,000 for the period. In going over the P&L details the CFO said that WBAI showed a net loss of about \$189,000 vs. a budgeted \$51,000 surplus for this period, a variance of about \$240,000 mainly due to a shortfall in income of about \$278,000. The station showed a total income of about \$899,000 vs. about \$1.1 million budgeted. "Salaries and Related Expenses" were about \$48,000 over budget, "Total Administrative Expenses" were under by about \$11,000 and "Total Programming Expenses" were under budget by about \$31,000.

At this meeting the CFO said that WBAI had about \$165,000 in accounts payable plus

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about \$157,000 in recurring expenses for a total of about \$322,000 in major payables. The CFO said that WBAI continues to have its revenue lumped into “Listener Support;” he said he was getting the General Managers of those stations lumping so much of their revenue into the “Listener Support” line to do a breakdown of the revenue.

The CFO said that he is concerned that if PRA doesn’t generate more revenue that they may not be able to make payroll.

At this meeting the NFC voted to approve the following timeline for the FY16 budget:

FY16 Budget Timeline

	Deadline	Who Initiates	Action
A	May 15, 2015	CFO	Meet with treasurers to outline budget development process and paperwork submission. Call for budget Priorities to be discussed in various venues.
B	May 31, 2015	LSBs, in consultation with GENERAL MANAGERS/BUSINESS MANAGERS	Identify and rank budget priorities in order of importance: Scale of 1-5 where 5 is high. NFC completes its recommendation on Central Services formula for the upcoming fiscal year.
C	June 15, 2015	GENERAL MANAGERS/BUSINESS MANAGERS, in consultation with LSBs/Local Finance Committees, ED, and CFO	Generate Draft Station Budgets and submit to CFO.
D	June 30, 2015	CFO	Compile and Distribute Draft Network Budget to LSBs and NFC for review.
E	July 31, 2015	LSBs NFC	Review Draft Station budgets (LSBs) --Approve As-Is or with amendments. National Office budget (NFC) --Approve As-Is or with amendments.
F	August 7, 2015	CFO	Compile and Distribute Final Budget Proposal to NFC for approval.

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G	August 31, 2015	CFO	Review Final Network Budget Make recommendations for PNB adoption.
H	September 7, 2015	CFO	Distribute Final Budget Proposal to Board.
I	September 30, 2015	PNB	Adopt Budget for fiscal year beginning October 1.

After this meeting the CFO announced his resignation.

I had to miss the May 12, NFC meeting because I was in the hospital. From notes provided to me by other members I see that the CFO said that he was working on closing the books on FY14 for the audit. The CFO said that the auditing firm wants to talk with the new Executive Director prior to engaging for the FY14 audit. The CFO said that all stations need to adjust projections for the last 6 months of the current fiscal year so that we have a stronger basis for generating the next year's budget.

At the May 26, 2015, NFC meeting the new Executive Director gave a report. He said that he has hired a new temporary accountant who will be working in the National Office. He said that a maximum effort is being put towards getting the FY14 audit done. He said that he had extended a consulting contract to the former CFO on an interim basis so he can answer questions and work with National Office Staff in person as needed.

At this meeting the NFC heard updates about the stations' on-air fund raisers. I reported that after 22 days of the current on-air fund raiser WBAI had a tally of \$237,318, which is off the budgeted pace by about \$103,000. The daily rate of the tally is a little less than \$11,000 a day. The budgeted goal of the on-air fund raiser is \$470,500. All of the Pacifica stations were failing to meet their on-air fund raising goals and most would need to extend their Spring drives.

The stations all reported regarding their FY16 budget preparations. I reported that the local Finance Committee has been having a problem with meeting. The building where WBAI is now located, 388 Atlantic Ave. in Brooklyn, is not wheelchair accessible in the evenings. The landlord said we could use the space on the first floor but it would cost \$500 a night. I had sent an E-mail to the General Manager seeking his availability for a local Finance Committee meeting and asking for financial information. **The Executive Director said that the National Office is paying close attention to the WBAI access issues, and the need for 24/7 handicapped access to the station. He said that negotiations were ongoing with the landlord.** WBAI is not the only station that has not started preparing for its FY16 budget.

At this meeting the NFC discussed a motion regarding how the LSBs would review budgetary compliance. No action was taken on this motion.

At its June 9, 2015, meeting the NFC heard a proposal from Pacifica Affiliates Coordinator Ursula Ruedenberg regarding the Pacifica Affiliates Group Underwriting Project, which seeks to establish a structure for getting underwriting for Pacifica affiliates. The Executive Director backs this proposal. The proposal was discussed, and the NFC took no action on it.

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At this meeting the motion regarding how the LSBs would review budgetary compliance was again brought up. The motion was extensively amended, and split into two parts. One part that related to the quarterly reviews of station budgets, and which ended with the sentence, "Failure to do so shall be a key consideration in the CFO's performance review by the PNB," was passed. The meeting ended without the other motion being voted on.

The WBAI local Finance Committee has not met since February 19, 2015. I have sent the General Manager E-mails and left voice mails, when the voice mail box was not too full to do so, asking for dates when the General Manager can make meetings, and asking for financial information. There are a number of questions outstanding from earlier this year regarding off-air fund raisers: who was to benefit from them, what person or group gets what percentage of the revenues, what the expense details are, etc. It is hoped that the General Manager will become more communicative soon. The new Executive Director is taking part in the negotiations with the landlord at 388 Atlantic Ave. and he says he is committed to having WBAI be handicapped accessible 24/7. This should help to get local Finance Committee meetings to happen. I will bring a motion regarding local Finance Committee meeting venues to tonight's LSB meeting.

The latest information I have regarding WBAI's Spring 2015, on-air fund raiser is that as of Thursday, June 4, 2015, the tally was \$328,043 which represents a shortfall of \$167,189 from where the tally should be after 32 days if pitching as per the FY15 budget. The budgeted goal for this entire on-air fund raiser was \$470,500. The daily tally based on the information provided is averaging about \$10,250 per day.

R. Paul Martin
WBAI LSB Treasurer