

WBAI Treasurer's Report  
October 14, 2015

The National Finance Committee (NFC) met on September 15, 22, and 29, 2015, and October 13, 2015. The local Finance Committee met on September 24, 2015.

The September 15, 2015, NFC meeting was mostly about the FY16 budgets. The NFC went over the KPFA and KPFK draft FY16 budgets, with KPFT and WPFW not having any draft budgets ready yet.

I reported to the NFC that I had gotten an incomplete WBAI FY16 draft budget from the General Manager the night before this meeting. The draft budget had been prepared by the shared Business Manager who is in Houston, Texas. In the E-mail forwarded with the draft budget spreadsheet the Business Manager asked the WBAI General Manager to add in the expenses in the draft budget; he hadn't done that with the draft budget he'd sent me. The draft budget showed WBAI ending FY16 with a net surplus of \$873,425. This is not a realistic number. The draft budget showed the number of days that WBAI pitched on the air as being 168. This number, while very high, does not reflect the hours spent pitching during days when the station is not officially in on-air fund raiser mode. It looks like a lot of revenue is being lumped into Listener Support that shouldn't be there. The Listener Support line for FY16 was projected to be about \$1,000,000 higher than the same line was projected to be for FY15. This contributes to the unrealistic net surplus line. The NFC Chair, and PNB Treasurer, asked that the WBAI General Manager be asked to attend the next NFC meeting. He was asked.

At the September 22, 2015, NFC meeting the National Office was not ready to present a budget. The NFC was told that the Pacifica Radio Archives (PRA) draft FY16, budget was already done, but it wasn't presented at this meeting. The NFC reviewed the draft FY16 budgets for KPFA and KPFK. The NFC approved the KPFA FY16 budget and recommended its adoption to the PNB.

The WBAI General Manager did not show up at this meeting.

The subject of how to handle depreciation came up at this meeting. The NFC passed the following motion, "All units should budget for planned Capital Expenses on the Capital Expenditures line of the budget template (row 42), budget for depreciation on line 6655, and offset budgeted depreciation by making an equal and opposite adjustment to their Capital Expenditures line."

The local Finance Committee met on September 24, 2015, the General Manager had said that he'd attend the meeting, but he did not. He told me that he'd attended an event that night where he'd represented WBAI.

The local Finance Committee looked over an income statement from the National Office which covered the period through August 31, 2015. This income statement shows WBAI as having realized \$1,284,844 in Listener Support up to August 31, and having a deficit of \$378,334. The local Finance Committee discussed this income statement and other aspects of the finances of WBAI and Pacifica, and was generally pessimistic. Without the General Manager to answer questions about WBAI's finances the meeting adjourned earlier than usual.

It was observed that the same boxes of premiums that were stacked up in the Conference Room during the September 3, 2015, local Finance Committee meeting were still there.

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The NFC meeting on September 29, 2015, began in executive session. Officially, “The National Finance Committee met in Executive Session to discuss personnel issues related to individual employees.”

In the public session of this meeting. There was disagreement over which version of the KPFT draft FY16 budget was the one which should be presented. This item was postponed to the next NFC meeting.

At this meeting the National Office Financial Planning and Analysis Manager Efren Llarinas said he was unable to present a budget due to the press of business.

The NFC reviewed the KPFK draft FY16 budget. They had adjusted their previous budget proposal to show the station pitching for 102 days and getting an 82% fulfillment rate. KPFK General Manager Leslie Radford reported on across-the-board layoffs and hours cuts at KPFK. SAG-AFTRA is filing a grievance against KPFK over these Staff cuts.

KPFK General Manager Leslie Radford said that the station has over \$300,000 in outstanding payables. KPFK is not raising enough revenue to keep up with its bills.

At the October 13, 2015, NFC meeting the KPFT and WPFW draft FY16 budgets were gone over. The General Managers of KPFT and WPFW attended the meeting and both were optimistic. Each station’s draft budget proposes a year end surplus in the low to high four figures. This is an amount of money that can easily be spent by a radio station in a single afternoon, and means that the station will not be able to pay all of its bills if there is a sudden emergency.

The Treasurer of WPFW said that WPFW had helped WBAI financially some years ago and she wants an accounting of that.

The NFC did not discuss the latest version of the WBAI draft FY16 budget which the General Manager had sent to the Executive Director, the PNB Treasurer and me only on the afternoon of the meeting. This draft budget is *still* showing a net surplus at the end of FY16 of \$873,425.

WBAI’s Fall 2015, on-air fund raiser is currently ongoing. It started on October 5, and is scheduled to go until November 8. I have not seen a publicly announced goal for this on-air fund raiser. The draft FY16 budget *appears* to give a goal of \$650,000.

Here is a table showing the tally information that is available to me:

<b>Day</b>	<b>Date</b>	<b>Tally</b>	<b>Total to date</b>
Monday	2015-10-05	\$8,285	\$8,285
Tuesday	2015-10-06	\$8,495	\$16,780
Wednesday	2015-10-07	\$11,905	\$28,685
Thursday	2015-10-08	\$13,275	\$41,960
Friday	2015-10-09	\$7,865	\$49,825

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Saturday	2015-10-10	\$7,575	\$57,400
Sunday	2015-10-11	\$8,280	\$65,680
Monday	2015-10-12	\$9,435	\$75,115

Since there is no official FY16 budget yet there is no official daily goal for this on-air fund raiser. The above table shows the station raising an average of \$9,389 per day so far. This is a figure that is way below the daily average tally of last year. It is even a couple of thousand dollars per day short of the actual tallies realized for most of FY15.

It is clear from the income statement and from the draft budget proposals that all of Pacifica is in terrible financial shape. WBAI has needed help with making payroll and health insurance payments. All of Pacifica has been getting by with the help of \$950,000 of bequests made to KPFA this past February. That bequest money is used up now. WBAI is not self sustaining, and KPFA appears to be in that same category now. At some point WBAI will need financial help from the rest of Pacifica and the money will simply not be there.

I am hearing that people who have paid for premiums and not gotten them are calling in numerous complaints. The premiums that have been stacked up in the Conference Room for months testify to the fact that WBAI is not shipping out premiums that have been paid for. This not only is clearly disrespectful of the listeners who have paid, and discourages them from pledging again, but it could alienate some listeners to the point that they'll file formal complaints regarding having paid for the premiums but not gotten them in a timely manner. If such a complaint is filed there could be potential legal problems for WBAI that would make things much worse.

I have been reporting that WBAI is in dire financial shape for years now. As bad as things were in FY15, FY16 is starting out looking worse. There are now two Pacifica stations that need to be financially supported by the rest of Pacifica.

There is a group in California incorporated under the name "The KPFA Foundation," the principals of which are former PNB Chair and current *de facto* Pacifica General Counsel Dan Siegel, who has previously called for WBAI to be sold off, and the recent PNB Chair Margy Wilkerson. The stated goal of The KPFA Foundation is to capture the assets of Pacifica, if Pacifica should go bankrupt or if Pacifica's assets should become somehow available to The KPFA Foundation. It is not difficult to see that not only is there a financial emergency for Pacifica that has dire ramifications for WBAI but that there are people preparing to enrich themselves by the financial failure of Pacifica.

Is there a way to reverse the current financial failure at WBAI in the short term? No one has come up with a viable plan yet. It is possible that we are in a fiscal year that will see something very bad happen to WBAI, and maybe to all of Pacifica.

R. Paul Martin  
WBAI LSB Treasurer