

WBAI Treasurer's Report  
January 11, 2017

The National Finance Committee (NFC) met on December 20, and 27, 2016, and on January 10, 2017. The NFC meetings have been mostly about getting the FY17 budgets approved.

At the December 20, 2016, NFC meeting a bequest issue which had been raised at a prior PNB meeting was on the agenda, but it was thought that it belonged in an executive session. The following motion was passed.:

**Motion:** (Ken Aaron) "To move to closed session at the first 2017, meeting after the new NFC has been seated." (Passed 5 for, 3 against, 1 abstention)

I do not know which radio station or other part of Pacifica this bequest relates to.

At the December 27, 2016, NFC meeting the WBAI draft FY17 budget proposal came up for discussion. The WBAI draft FY17 budget proposal shows the station with a total revenue about \$350,000 greater than what the National Office says WBAI raised in FY16. This includes an increase in Listener Support of \$178,360. The WBAI General Manager told the NFC that the station would also realize about \$54,000 in revenue from Community Events. He also said that expenses would be about the same as they were in FY16. The bottom line of the budget is a deficit of \$312,720. If we subtract the monthly accrual of *approximately* \$36,000 for the Empire State Building (ESB) rent this would bring WBAI to a cash flow surplus of almost \$120,000.

These numbers look good, but they are not based on past performance, which used to be the criterion for budgets in Pacifica. According to the FY16 Profit & Loss statement from the National Office WBAI ended FY16 with a deficit of \$190,788 after adjustment for the ESB accrual. The WBAI General Manager's projected tally figures for the Fall on-air fund raiser and the December on-air fund raiser are higher than what was actually raised. The \$54,000 in revenue from Community Events is unproven and for FY16 WBAI is showing a \$250 deficit in Community Events. During the General Manager's presentation to the NFC it was pointed out that a number of FY16 figures in WBAI Management's budget proposal were at variance with those of the National Office. WBAI Management's figures were always more positive than the National Office's figures. The General Manager said that he'd send the NFC all of the Community Events information on spreadsheets along with his spreadsheets of the December on-air fund raiser to back up his projections of significantly more revenue. He said he'd send them to the NFC by January 4, 2017. Outside of a single Web page screen capture which was sent to the NFC during this meeting, the promised data has not been sent to the NFC.

Another issue regarding the Community Events that are projected is that the General Manager is not sending out the required expense and revenue projections before the events and the actual revenue and expense figures after the events. The PNB passed a motion in 2012, requiring that this be done for all Community Events. I have been asking for information on a number of the off-air fund raising events for years, and I have gotten very little information from the General Manager. In some cases I have not been able to find out what the revenue was from some events that I have been asking about for more than two years. Also, some events are not run by WBAI alone. I have never been able to get information from the General Manager about the

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arrangements for events that benefitted WBAI along with some other entity, including the ratio of which co-beneficiary got how much revenue from the event.

At this meeting the General Manager told the NFC that he does not use MEMSYS, the Pacifica standard for keeping track of the revenue from on-air fund raisers and the membership. This was an unexpected revelation.

The NFC passed the following motion:

**Motion:** “The NFC recommends to the PNB the adoption of the FY2017 budget for WBAI, with the provisos that revenue from other sources be broken out of listener support, that all actuals be included as soon as available, that Central Services payments to the National Office be adjusted when the PNB revises its formula.” (passed 4 for, 3 against)

I voted against this motion because the WBAI FY17 budget is not based on proven revenue, there is inadequate disclosure of the details of the station’s fund raising activities, and it does not seem realistic to believe that the station will realize a \$350,000 increase in revenue based on the unprecedented figures from the General Manager.

It also needs to be pointed out that the FY17 budget projects pitching for 131 days. In fact the station will probably pitch even more than that. Pitching too much of the time tends to reduce the number of listeners which in turn limits the number of members, as can be seen from WBAI’s listener membership for the 2016, election.

Unfortunately, other budgets in Pacifica also seem to be founded on something other than proven revenue. This may have a very serious impact on all of Pacifica and WBAI in FY17.

At the January 10, 2017, NFC meeting there was discussion of the SCA motion passed by the PNB. This motion was reported on in the December 14, 2016, Treasurer’s Report. A part of the discussion about it at this meeting was the idea that the National Office cannot change the details of a motion passed by the PNB. There will probably be more discussions about the SCA/Central Services fees formula in the future.

Because not all of the budgets have been approved, and because the calculations for the Central Services fees and how they relate to the PNB’s SCA motion have not been done, the NFC decided that it couldn’t present a consolidated budget to the PNB, and so the following motion was passed:

**Motion:** (Michael Novick) “That the Chair be authorized to tell PNB we are not in a position to do the consolidated budget because we do not have the final budget proposals from KPFA or the National Office.” (Passed without objection)

The NFC may be able to come up with a consolidated budget over the next several weeks.

At this meeting the NFC was told by a Director that the Audit Committee has the FY14 audit and they are sending it to the interim Executive Director and telling her to have it posted. As of this NFC meeting the FY14 audit had not been posted to the Pacifica Web site.

In order for eligible Pacifica stations to resume receiving CPB Public Service Grants the FY15 and FY16 audits must both be posted no later than June 30, 2017. Receipt of these grants would result in a six figure influx of revenue for some Pacifica stations, including WBAI.

The local Finance Committee had set a meeting date of January 5, 2017, but there was no

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quorum for the meeting and so the meeting was cancelled. I will be seeing when the General Manager can attend a meeting with the committee and I will poll the committee for its next meeting date.

The December 2016, on-air fund raiser ran from December 10, through December 20, 2016. The tally, from the information Management has given out, came to \$120,222, after 11 days of pitching which is a daily average of \$10,929 a day. The goal for this on-air fund raiser, in the FY17 budget was \$140,000 after 10 days of pitching, which would be a daily average tally of \$14,000 a day.

The General Manager has stated his opinion that WBAI is doing well with the daily tally at just under \$11,000 a day. This is what the daily tally had been a couple of years ago, but the station wasn't in good financial shape then. The preempting of so much of the regular programming for the on-air fund raisers that take up more than a third of the broadcast time over the course of a year does not promote the programming that WBAI is supposed to be producing.

The WBAI Winter 2017, on-air fund raiser has been announced as running from February 6, through March 6, 2017, 29 days. The FY17 budget projects this on-air fund raiser to run for 23 days and achieve a tally of \$322,000 and a daily tally of \$14,000.

Clearly WBAI's FY17 budget, based on something other than proven revenue, portends an uncertain future for the station. That other stations are having their similar FY17 budgets approved makes the future look even more uncertain. Given that there are people at KPFA who are actively trying to break up Pacifica so that they can acquire KPFA as their own property, including one lawyer among them who is threatening to go to court to break up Pacifica if Pacifica doesn't agree to hand that radio station over to his group, there really is no telling what the next few months will bring. The First Quarter actuals for FY17 should be out in around two weeks. If they continue the trend that was seen for FY16, then the FY17 budgets that have been passed are going to have to be drastically changed.

The next NFC meeting will be on either January 17, or January 25, 2017, depending on whether the PNB meets on January 17. The date of the next local Finance Committee meeting will be determined over the next couple of weeks by a poll of the members of the committee.

R. Paul Martin  
WBAI LSB Treasurer