

WBAI Treasurer's Report
July 8, 2015

The National Finance Committee (NFC) met on June 23, 2015. At that meeting the Executive Director said that the auditing firm that did Pacifica's FY13 audit, Armanino LLP, had not in fact paid their final fee for preparing that audit. The auditing firm will not agree to the Executive Director's suggested time payment plan of the money owed them. They did discount the original bill somewhat, by about \$5,000. The amount they are demanding from Pacifica now is \$62,500. The Executive Director has been asking the General Managers to accelerate their Central Services payments so as to get the money needed to pay this bill. The firm will not begin to work on the FY14 audit until they have been paid in full for having done the FY13 audit.

The NFC passed the following motion to be sent to the PNB: "That KPFA be asked to advance one half of the money due for the FY13 audit. To be considered as advanced Central Services payments."

The Executive Director told the NFC that the National Office is working on the preparations for the FY14 audit. The FY14 audit was not completed by June 30. Any CPB grant money that Pacifica would qualify for would be reduced at the rate of 1/365 per day after the June 30, 2015, deadline. The Executive Director said that this is equal to approximately \$2,000 of grant money lost for every day past June 30, 2015, that the FY14 audit is late.

The NFC passed the following motion related to the proposed underwriting plan for the affiliates: "The National Finance Committee recommends that the PNB attach the following provisos to any approval of the Affiliates Underwriting Proposal:

I. Prior to implementation, management shall consult a tax attorney regarding whether income from this program might be taxable, and what we need to include to safeguard the organization's exempt status with respect to such a plan.

II. All contracts shall be structured so that Pacifica has no obligation to pay fees to affiliates unless and until it has collected the corresponding payments from underwriters."

From the reports given at this meeting most of the Pacifica stations are not adhering to the timeline¹ for the budget process. KPFT appears to have made the most progress among the stations. The WBAI General Manager has not sent me a draft FY16 budget yet. It is possible that WBAI will be late with its budget approval this year.

Currently I am polling the local Finance Committee for dates when the members can make a meeting. When the committee arrives at a date when a quorum can attend a meeting I will find a space for the meeting, and post that information to the appropriate places.

It is important that the General Manager send his draft budget to me ASAP. There are also some outstanding questions left over from the February local Finance Committee meeting.

At the June 10, 2015, LSB meeting the General Manager reported that the Spring on-air fund raiser had ended with a tally of about \$420,000. Three days before that on-air fund raiser ended the tally was \$237,318. I look forward to seeing the General Manager's written report showing how about \$92,000 was raised in the final three days of that on-air fund raiser.

R. Paul Martin
WBAI LSB Treasurer

¹The FY16 budget timeline was included with the June 10, 2015, Treasurer's Report.