

WBAI Treasurer's Report
June 13, 2018

The local Finance Committee met on May 31, 2018. The National Finance Committee (NFC) met on June 12, 2018.

At the May 31, 2018, local Finance Committee meeting the General Manager reported that WBAI had \$282,113 cash in bank at that time. The General Manager gave the committee a balance sheet "as of September 30, 2017," which did not include some expense items. He said that the auditor had made him do it on a month by month basis. The General Manager said that he was catching up and that he would be able to give us an up to date balance sheet in another month. He said that WBAI's bills are about \$105,000 a month now. He also gave the committee his version of a Profit & Loss statement, on an accrual basis, which showed WBAI with a net deficit of \$673,707 for all of FY17.

The General Manager told the committee that a payment from the Boulton Family Trust would soon be coming in and that it would amount to about \$180,000. The General Manager said that this would cover the move to 4 Times Square and that he would put the rest aside to help with WBAI's share of the interest payments on the loans. He said that the final Boulton Family Trust payment would be coming soon and that he expected that it would be about \$295,000. The General Manager said that there were more bequests coming. He said that the previously reported bequest of a house in Piscataway, New Jersey would probably realize about \$80,000. He said that there was another bequest for \$20,000 that just needed to have the paperwork filled out.

The General Manager said that the Spring 'thon had tanked. In a June 7, 2018, E-mail the General Manager said that, "The WBAI drive lasted 4 weeks and did not extend as most of you were expecting. Our goal was to make \$360,000.00 but we raised \$301,247.57. We were short by \$57,752.43 or the cash equivalent of \$47,000.00 cash." In fact the 'thon went for 33 days and in the same E-mail Management's goal was stated at \$12,000 a day for a total 'thon goal of \$396,000 which means that **the 'thon came in \$94,752 short of its goal.** The General Manager also said in the June 7, 2018, E-mail that, "We promoted the BAI Buddy project and enrolled over 180 new BAI Buddies since April 1, 2018." In 2017, WBAI lost around half of the BAI Buddies it had had when Management changed how the project was administered, so some of these BAI Buddies are returning, as opposed to being totally new to the project. The June 7, 2018, E-mail says, "Our goal was to enroll 840 new Buddies."

In answer to a question the General Manager said that all of the premiums used in this 'thon had been licensed. Committee members urged him to get the paperwork showing that they had been licensed from the producers who had licensed them so that WBAI will have a record of the licensing if there should be a challenge in the future.

The General Manager told the committee that the Pacifica General Managers are pushing for limited sponsorships for programs. This would be a serious change in policy for Pacifica, although it was pointed out that some individual programs do include short announcements which say they are sponsored by one entity or another.

The General Manager was asked again about the results of the Art Auction. He had told the LSB at its October 2017, meeting that the Art Auction would net WBAI about \$100,000. The General Manager had redirected previous inquiries about the Art Auction to the interim Development Director, who had not answered the question. The General Manager said he would get the local Finance Committee the information on the Art Auction. This has not happened yet.

The General Manager handed out a sheet with the contact information of everyone who had pledged to one particular program. He said that he planned to give similar information to each producer so that the donors could be contacted and asked to become BAI Buddies. This would actually constitute the giving away of WBAI's proprietary membership list. This idea will need to be examined more before it gets implemented and the membership list is irretrievably given away. The General Manager has previously given the entire

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membership list information to a person closely aligned with one group that was running candidates in the 2016, Pacifica elections while that election was ongoing.

The General Manager has told me that he will have a full draft FY19 budget, including assumptions and other ancillary information, for the local Finance Committee at its next meeting.

About an hour before the local Finance Committee meeting WBAI had switched over to the backup transmitter at 4 Times Square. This timely move saved WBAI and Pacifica about \$130,000, which is what the ESRT would have charged if WBAI hadn't been out of the Empire State Building by June 1. Interim Executive Director Tom Livingston has sent out an E-mail detailing the travails of getting the transmitter to 4 Times Square. WBAI is broadcasting using the WPFW backup transmitter, which the interim Executive Director had put in a vehicle and had driven up to New York City. A number of Staff helped to get the transmitter up and running within hours after that.

At the June 12, 2018, NFC meeting the topic of the loans and the fact that the NFC has not gotten any information about them, including the loan repayment plans, was discussed. The FY19 budgets are going to be affected by the loan repayment plans, and the FY19 budgets need to be worked out now. The NFC passed the following:

Motion: (Joseph Davis) "In parallel with the Strategic Planning committee, The National Finance Committee recommends the PNB direct the ED to immediately ask each unit and the central office to produce a report by July 23rd, giving an overview of the financial practices in that unit, we are asking for approximately one to two hours work from a knowledgeable person at each unit.

The report should describe various specific financial activities, either from the list below, or something important the knowledgeable person feels relevant, and a sense of scope to cover personnel time and resources needed to accomplish each activity, and the benefit of the activity in terms of income, operations or other concerns. We also need to know if each activity occurs at a very constant rate, or occurs in surges between high and low effort needed. (monthly bills are constant, pledge drives vary from intense to slow.)

Items to be considered:

1. Pledge drives, phone banks, various donation means, etc.
2. Premium delivery.
3. Monthly utility bills and ongoing expenses.
4. Loan payments and other finite payment series.
5. grants or gifts.
6. Central office payments.
7. FJC loan compliance factors to be met.
8. Efforts specifically aimed at restoring CPB grants.
9. Bookkeeping for audit, CPB and other reporting purposes.

The knowledgeable person producing the report should sign and provide E-mail and phone contact information, and time acceptable to call, should follow questions be needed.

These specific requirements may be modified by the ED to facilitate a timely and reasonable report.

The purpose of the collective reports is to make clear the activities at each unit, to be used both to complete work presently in progress such as audits, but also to consider the implementation of best practices, controls, and scaling. Benefits should include better auditing, CPB funding, pension obligations, cost reductions, and

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fraud prevention.” (Passed without objection)

The NFC also briefly discussed an on-line posting about the previous night’s Audit Committee meeting which discussed the Internal Revenue Service starting an audit of Pacifica’s handling of the pension plans, which were not funded and the tax filings for which were not done in a timely manner. No one on the NFC knew anything about this and the topic was postponed until more information can be gotten. **Note:** the bylaws prohibit members from serving on both the NFC and the Audit Committee.

I have since listened to some of the audio of the Audit Committee meeting and the auditor does seem to be saying that there will be an IRS audit of Pacifica’s pension plans.

The topic brought up by the General Manager at a previous local Finance Committee meeting regarding WBAI getting credit for the proceeds of the house in Piscataway, New Jersey that was left to Pacifica in a bequest also came up at this NFC meeting. The result was the following, which was written by the NFC Chair and which I moved, **Motion:** (R. Paul Martin) “Barring other concerns, bequests to Pacifica should be credited to the station or unit from whence the donor participated with Pacifica.” (Passed 4 for, 2 against, 1 abstention). There was quite a bit of resistance to this motion from the KPFK Treasurer. What seemed simple and fair to me seemed an affront to him. He does not appear to be alone in his opinion.

No station has presented a draft FY19 budget to the NFC yet.

The loan repayment plans remain a mystery, although there is a motion on the floor of the PNB to release that information. The IRS audit sounds very serious, and I’m sure that we’ll get more details soon. The WBAI Spring ‘thon missed its goal by almost \$100,000. The only good news seems to be that WBAI is broadcasting out of 4 Times Square now. Overall, things are looking ominous for Pacifica at this time.

The next NFC meeting will be on July 10, 2018, and the next local Finance Committee meeting will be on June 28, 2018.

R. Paul Martin
WBAI LSB Treasurer