

WBAI Treasurer's Report
May 8, 2013

The National Finance committee (NFC) met on April 23, 2013. We have not gotten any new financial documents from the National Office, although the NFC has formally requested those documents from the interim Executive Director.

As of the date of this report the FY12 audit is not done yet. The problem seems to be that some of the stations are having a hard time providing the information that the auditor has asked for. The WBAI General Manager has told us that as of April 30, only KPFT and WBAI have satisfied the auditor's information requests.

The PNB Treasurer, who is also the NFC Chair, was called in to the National Office in April to approve revised depreciation schedules that shortened the depreciation time of some items by half, e.g. furniture is now depreciated in 5 years instead of 10, computers are depreciated in 3 years instead of 5, and other depreciations that do not affect WBAI have also been shortened.

The CPB has informed Pacifica that it will withhold \$41,744 from WBAI's FY14 grant (CSG), This is based on the premium values being too high for FY09 and FY10. This lessened amount of the CPB grant must be accounted for in the WBAI FY14 budget. Other Pacifica stations are also having their CSG grant money lessened for the same reason.

Pacifica has a new CFO, he is Raul Salvador and he starts work on May 9, 2013.

The NFC passed a motion strongly urging KPFK's implementation of a lock box.

A motion that the NFC recommend that the PNB instruct the WBAI GM to make adjustments to the budgets, to include personnel layoffs, failed.

The following motions were passed at the NFC meeting:

Motion: "That the NFC ask the interim Executive Director for a written report as to why the audit is still not done and whether or not the 140 day waiver for the CPB has been applied for and granted." (Passed 7 for, 0 against, 2 abstentions)

Motion: (R. Paul Martin) "That the NFC recommend to the PNB that the stations pay their 2½% levy for the Pacifica Radio Archives directly to the Pacifica Radio Archives." (Passed without objection)

There was a meeting of the LSB's Finance Committee on April 30, 2013. The news the committee received about WBAI's current financial situation was very dire.

WBAI was unable to meet its payroll on April 30. No one, either Management or Paid Staff, was paid on time. As of the time of this report Paid Staff have still not been paid.

WBAI did not pay the rent at the Empire State Building on May 1. As of the time of this report that rent bill has still not been paid.

The bottom line, the General Manager told the committee, is that between payroll, the Empire State Building rent and some other expenses WBAI owed about \$119,000 as of May 1, and the station only had around \$4,000 cash in the bank as of April 30.

The Paid Staff will get paid at some point, and since the paychecks are more than a few days late the the Union Contract will require that the station pay a late payment penalty to the Paid Staff along with their regular paychecks. The payroll is an obligation that the law says must be paid, and Management says it will be.

The recent agreement with the Empire State Building allows WBAI to pay a few days late, but at the April 30, local Finance Committee meeting the General Manager said that if that

rent were not paid by May 6, WBAI will have violated the repayment agreement. Since that rent does not appear to have been paid by then WBAI may be facing very bad consequences with regard to the Empire State Building occupancy.

In this dire situation WBAI and Pacifica Management are working to try and raise enough money to meet these immediate bills.

The rest of Pacifica is being called upon to pitch in and help WBAI to get through this very serious cash flow crisis. WBAI's on-air fund raiser starts today, May 8, and other stations' on-air fund raisers are already ongoing. Between the money that WBAI raises and inter-unit loans from other stations the cash flow problem should be relieved temporarily within the next week or so. There is another payroll due on May 15.

The General Manager's latest E-mail to me on Monday night indicated that there had been no new progress in getting WBAI the \$119,000 that it needs for the Empire State Building payment, payroll and other bills. He said that Pacifica Management is still trying to get a substantial amount of cash together to help WBAI's finances.

The next NFC meeting is scheduled for May 14, 2013, and the next local Finance committee meeting is scheduled for May 21, 2013.