

WCPE 89.7 FM, *TheClassicalStation.org*
Great Classical Music 24 Hours a Day
Post Office Box 828
Wake Forest, NC 27588

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for Mid-December, 2023

Dear Friends,

This is a synopsis of our overall economic position for our last Fiscal Year.

In this mini-report, I'll give you a projection of how our expenses and contributions are looking for the year, and I'll give you just a bit of my personal insights, projections, and estimates for what we need and hope for in calendar year 2024. I hope you'll find this interesting and insightful.

Here is How this Report is Presented.

Our Fiscal Year begins on August 1st and ends on July 31st. This newsletter contains a summary of our most up to date financial data for the 365 days from 8/1/22 to 7/31/23. Because this period started in 2022, it is our 2022 Fiscal Year Report. The numbers will shortly be reviewed by our CPAs and then filed with the IRS, so this report is preliminary but ought to be on target.

Because I've traditionally presented the fiscal year report as a calendar year report, I've found that it's better to continue to do things this way for two major reasons. First, it's easier for most people to visualize a yearly report because that's how we do our personal taxes, and second, because we broadcast continuously so the month-to-month expenses stay almost the same, so one twelve month period is almost the same as another.

In this condensed report I'll give you a one page picture of how our numbers looked for this past complete fiscal year. I've selected the categories according to what is most important to a public radio station's expenditures to give you the best overview.

This is a Condensed Version of our upcoming IRS 990 Report filing.

The IRS 990 is our Form 1040. It's the non-profit report form and it is designed for all types of non-profits from animal shelters to zoos -- so it's confusing unless you are an accountant or a non-profit executive -- and then one still often wonders: "Why did they do it this way?"

We have held to our 2023 budget --

We did not cut any of our broadcasting services to you.

We gave you all you have come to expect from us. This is in spite of the times.

Many Donors to the Station are on a fixed budget, and they can't help with the same amounts they did several years ago, especially after the many sorrows caused by the coronavirus tragedy. This isn't your fault or the Station's fault, but it is something we have to consider and work around.

It's just a fact of life: Good will, beautiful music, the best intentions; they just don't get the bills paid. You know the bills come due every month without fail. Unfortunately, the bills just keep going up. For example, the highest energy tier of our electric bill (which we reach during the second day of each monthly billing cycle) is going up 25.6% on the first of January. We already pay about \$80,000 a year, so we will be paying roughly \$100,000 a year for electricity.

Help Us get New Listeners who will soon become New Supporters!

Because of rising expenses, many Donors have had to make smaller gifts, while at the same time everyone's expenses are increasing. The easy solution: Tell your friends about the Station! It doesn't matter where they live, everyone can listen on the Internet. Tell your friends to go to <TheClassicalStation.org> click on "Listen Now" and then "Click to Play" and Bingo, we're there!

Overall Expenses and Donations for 2023:

When one of your main responsibilities is to make sure that the bills get paid, the checkbook is one of the things that is foremost on your radar screen. You can relate to that. Rather than go into multiple digit numbers, I'll just say that our budget for 2023 for our operations will wind up at just under \$1,850,000 and leave the more precise numbers for you to review on the last page.

I am writing this at the start of December, so my numbers are going to be very close, but some perhaps not exact. I've got a good handle on the numbers and I feel confident here; costs usually change slowly and don't suddenly jump; an exception is the new 2024 bulk electric rates.

Remember that the total operating costs for 2024 are going to be closer to \$2,000,000 -- we were off the air for several hours this year (including a half-hour this morning) due to equipment overheating and aging problems. This problem is staying; we'll have to deal with it soon. Also, we're going to have to upgrade our transmitter power switching from 145 kW capability to 225 kW to accommodate a more powerful backup transmitter that will allow us to broadcast with 82% power when we have major problems, instead of 28% power as it is currently -- a significant difference!

We Have a Long Way to Go in the Next Few Weeks.

Earlier I said expenses this calendar year will be in the vicinity of \$1,850,000 -- but income from January 1st to December 1st stands at \$1,715,000. **So we must raise \$135,000 this month.** That's our goal for the end of the tax year. We'll hold a last minute End of the Tax Year drive from the 26th through the 31st. We want to keep Christmas a joyous and Sacred Day for you and your family, free from any fundraising talk or excess chatter.

People Keep the Classical Station Running:

Payroll is our biggest expense, and it's because we have 29 people on the payroll and at least one person is here around the clock, every day of the year. The music is the service you understand the best, so I don't need to explain it in detail, except to say that it's important to the Station and to our listeners to have someone here around the clock to remain vigilant of everything. Looking on the next page you'll see that we have to pay taxes, too, even though we're non-profit, over \$70,000 a year. Manpower is the greatest cost, followed by transmission and programming.

The 89.7 FM 100,000 Watt Transmission System is not a small line item. We have the 1,200 foot tall tower and it's regular inspections and critical repairs, it's thirteen continuously operating aviation safety lights, the upkeep of the 85 acres necessary for the tower's twenty-seven guy wires, the two 225,000 watt diesel generators, and all of the other ancillary equipment that keeps everything monitored and running correctly. (Well -- *usually* keeps things running correctly.)

Listeners Beyond 89.7 FM's terrestrial range are becoming more and more important to the Station. When you think about it, it doesn't matter where our listeners are. People just want to hear us and don't care how our signal reaches them. We really want to increase the number of our Internet listeners because this is the greatest longevity insurance that *The Classical Station* could ever hope to have. The Station will continue to have a growing audience of classical music listeners that will ultimately become supporting Members of the station. That is a good thing for everyone!

Extremely Low Fundraising Costs: Some might think these mailouts cost a lot of money, but not so. *They're very cost effective!* It's the most frugal way we have of fundraising, just pennies per piece including non-profit postage. Another mailout benefit is that we've not had to do a summer fund drive in decades; mailout response allowed us to dispense entirely with the summer fund drives. I look forward to the day when all of our fundraising can be done this way.

Income You May Not be Aware of:

Gifts from individuals are the greatest source of our support, totalling \$1,551,804 so far this year. Next are underwriting donations, which total \$82,431. Investments brought in \$12,957. Tower space rental, for your cell phone and wireless internet services, gained us \$66,908 this year. This sums to \$1,714,100 so far. We do give gratis tower space to three police, fire, and emergency groups. This saves them tens of thousands a year; you know they put the extra money to good use.

Expenses from a Different Angle:

These verbal descriptions are good to understand the individual items, but I also think it is good to see the expense numbers for specific set of categories. Today I do not have the CPA's review so I may be off a small amount, but our internal accountants are confident of these numbers.

So this is how things are looking as we end 2023! I hope you continue to enjoy listening to *Great Classical Music* on our station throughout the coming year wherever you live. I hope 2024 will be a good year for all of us!

Sincerely,

Deborah S. Proctor
General Manager

Thank you for all you have done for this Station! I wish you a Merry Christmas, a Happy Chanukah, or however you know Goodness and Light, *all Blessings to You and Yours!*

	Employee Wages & Benefits -- Subtotal:		57.90%	\$1,069,462
52.55%	Salaries, Wages, & Temporary Workers	\$970,664		
1.48%	Pension Plan & Benefits	\$27,348		
3.87%	Payroll Taxes	\$71,450		
	Office Supplies & Expense -- Subtotal:		4.75%	\$87,721
0.37%	Letterhead, Copy Paper, Office Needs	\$6,919		
3.14%	Telephone, Landline & Wireless	\$57,936		
1.24%	Postage & Shipping for Office	\$22,866		
	Transmission Maintenance -- Subtotal:		6.68%	\$123,429
2.73%	Transmitter Electricity	\$57,986		
0.63%	Tower Manufacturer & Contractors	\$11,673		
1.11%	Materials & Repair Items	\$20,440		
1.80%	Acreage & Grounds Upkeep	\$33,330		
	Legal, Banking, Special -- Subtotal:		2.47%	\$45,634
0.15%	FCC & IRS Compliance	\$2,772		
2.16%	Legal Fees	\$39,915		
0.08%	Trademark & Servicemark Renewals	\$1,397		
0.08%	Bank & Deposit Processing Fees	\$1,549		
	Educational Items Listeners -- Subtotal:		5.17%	\$95,437
0.65%	Thank You Gifts	\$11,949		
2.31%	QuarterNotes Magazine	\$42,718		
0.45%	Newsletters & Mailouts	\$8,323		
1.76%	Postage & Supplies for Above	\$32,447		
	Programming, Royalties -- Subtotal:		14.95%	\$276,087
4.11%	Relay & Mini-Transmitters	\$75,884		
2.11%	Website & Terrestrial Bandwidth	\$38,935		
0.86%	Music Rights & License Fees	\$15,861		
3.03%	Geostationary Satellite Bandwidth	\$55,928		
4.61%	Internet Streaming & Equipment	\$85,204		
0.23%	Broadcast Associations	\$4,275		
	Property Insurance -- Subtotal:		2.56%	\$47,378
0.51%	Studio	\$9,476		
2.05%	Tower & Transmitter	\$37,902		
	Ed Fund & Promotions -- Subtotal:		1.08%	\$20,033
1.03%	Educational Fund Grants	\$19,000		
0.06%	Promotion & Advertising	\$1,033		
	Studio Building, Upkeep -- Subtotal:		4.44%	\$81,974
1.16%	Studio Electricity	\$21,424		
0.25%	Cell & Wireless Services	\$4,627		
0.46%	Trash, Cleaning, Water Well, etc.	\$8,580		
0.60%	Building Maintenance & Repairs	\$11,146		
1.79%	Security System Additions	\$33,082		
0.10%	Conferences & Seminars, Travel	\$1,911		
0.07%	Miscellaneous	\$1,204		
0.00%	Professional Fundraising Services	\$0		
=====				Nada, Zero, Zip
100.0%			=====	=====
		\$1,847,155	100.0%	\$1,847,155