

060-00-0058



2208 E. DeRenne Avenue · Savannah, GA 31406  
(912) 354-5225 · Fax: (912) 352-2798  
www.coastalcathedral.org

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DEC 22 2005  
FCC - MAILROOM

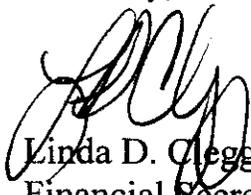
December 20, 2005

FCC Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

To Whom It May Concern:

Enclosed, please find our application for Exemptions from Closed Captioning: Undue Burden, as well as a copy of our most recent audited financial statements. We pray you take our exemption application into consideration. Have a blessed Christmas and a Happy New Year.

Sincerely,



Linda D. Glegg  
Financial Secretary

Cc: WJCL – ABC 22  
LDC

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Exemption from Closed Captioning: Undue Burden

Name and Address of organization:

Coastal Cathedral Church of God  
2208 E. DeRenne Ave., Savannah Ga 31406

Name & title of contact person: Linda Clegg, Fin. Sec.

Phone number & e-mail address: (912) 354-5225 lindaclegg@bellsouth.net

**Instructions:** Please provide responses to the following items. You should submit documentation to support your statements, particularly those related to your finances. There is no need to limit replies to the space provided. The more information included in your petition, the greater the likelihood of success in obtaining an exemption.

1. Describe the organization and nature of its operations, including for profit/non-profit status, business purpose or mission, and primary activities (examples: education, ministry, public service, etc.). Ministry - We are a church reaching out to the lost, the poor, the widows throughout the Savannah area.

2. Give a brief description of the programming and its intended purpose.

We show 30 minutes of our Praise + Worship which lifts up + edifies the people + God. We then show 30 minutes of Preaching/Teaching to encourage, uplift + teach the people of God.

3. Give a specific description of the methods and costs of closed captioning the programming.

You may wish to contact the station(s) to get more details about the type of captioning used as well the costs of services, equipment and maintenance. We have talked with our Broadcasters. Cost is \$7000.00 for software. Or we can pay \$1200.00 wklly to one company to handle it for us. We found another company that will charge \$4500.00 per show.

4. Does the expense associated with captioning require you to seek additional funds or curtail development and investment in other aspects of your organization? Does it have any other negative affect on your operations? Please explain fully. Yes, besides taxing our "normal" operations for ministry, we are in the mist of a Building program. We currently have our church up for sale. We have already purchased the land for our new site. We can not begin any building until we sell the current location. Adding this additional expense would hinder our progress.

5. Please describe your finances and resources. You should be sure to include the documents supporting your description, such as annual reports, balance statements, tax forms, and/or any other material depicting your cash flow, when you send back this questionnaire.

All of our income comes from members + non-members which give weekly to the church as tithes and offerings.

6. List other relevant factors that demonstrate the burden of closed captioning requirements. Does it harm relations with other organizations or affect timing and delivery of programming? Any way in which the requirements would make day-to-day functioning harder should be mentioned. We would have to hire a full time media director. This of course would add more financial strain. We currently pay a person at the church to come in + edit program. He does not need to put in 40 hrs a wk to accomplish this task as it is. If we add closed captioning, we would need to not only train a person for this, but hire + train that person in a full time position in media dept. -4-

7. Offer examples of one or more alternatives to closed captioning that would both be feasible for your organization and make programming readily accessible to the hearing impaired.

Is there a device that can be hooked up to the TV. of the hearing impaired person? This would take the burden off the TV. programmers + stations.

# **Coastal Cathedral Church of God**



**Financial Statements  
and  
Auditors' Report**  
**Years Ended December 31, 2004 and 2003**

# Coastal Cathedral Church of God

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# HANCOCK, ASKEW & Co., LLP

CERTIFIED PUBLIC ACCOUNTANTS

570 EAST YORK STREET

SAVANNAH, GEORGIA 31401

## Independent Auditors' Report

Church Council  
Coastal Cathedral Church of God  
Savannah, Georgia

We have audited the accompanying statement of net assets of Coastal Cathedral Church of God as of December 31, 2004 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Church's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Church's 2003 financial statements. In our report dated February 12, 2004, we issued a qualified opinion on those financial statements based on the matters discussed in the third and fourth paragraphs below.

Except as discussed in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The Church does not have adequate records to substantiate the cost of its property. We were unable to satisfy ourselves regarding this information by means of other auditing procedures.

Capital expenditures should be depreciated over their estimated useful lives to conform with generally accepted accounting principles. The Church does not have adequate records to compute depreciation of property. The effects on the financial statements of that departure are not reasonably determinable.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to substantiate the cost of property, as discussed in the third paragraph, and except for the effects of the matter discussed in the fourth paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Coastal Cathedral Church of God as of December 31, 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Savannah, Georgia  
May 25, 2005

*Hancock Askew & Co. LLP*

# Coastal Cathedral Church of God

## Statements of Net Assets

December 31,	2004	2003
<b>ASSETS</b>		
Property	\$ 109,308	\$ 174,654
	3,506,993	3,490,614
	\$ 3,616,301	\$ 3,665,268
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,147	\$ 455
Installment debt	375,405	442,312
	376,552	442,767
<b>Net assets</b>		
Unrestricted	3,224,068	3,192,845
Temporarily restricted	15,681	29,656
	3,239,749	3,222,501
	\$ 3,616,301	\$ 3,665,268

*The accompanying notes are an integral part of these financial statements.*

# Coastal Cathedral Church of God

## Statements of Activities

<i>Years ended December 31,</i>	2004			2003
	Unrestricted	Temporarily Restricted	Total	Comparative Total
<b>Support</b>				
Offerings	\$ 784,247	\$ 38,378	\$ 822,625	\$ 827,163
Media	1,206	-	1,206	1,051
	785,453	38,378	823,831	828,214
<b>Net assets released from restrictions</b>	<b>52,353</b>	<b>(52,353)</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>				
Ministry	363,579	-	363,579	365,863
Music	52,368	-	52,368	22,449
Media	65,150	-	65,150	40,306
Operations and administration	325,486	-	325,486	270,701
	806,583	-	806,583	699,319
<b>Increase (decrease) in net assets</b>	<b>31,223</b>	<b>(13,975)</b>	<b>17,248</b>	<b>128,895</b>
<b>Net assets, beginning of year</b>	<b>3,192,845</b>	<b>29,656</b>	<b>3,222,501</b>	<b>3,093,606</b>
<b>Net assets, end of year</b>	<b>\$ 3,224,068</b>	<b>\$ 15,681</b>	<b>\$ 3,239,749</b>	<b>\$ 3,222,501</b>

*The accompanying notes are an integral part of these financial statements.*

# Coastal Cathedral Church of God

## Statements of Cash Flows

<i>Years ended December 31,</i>	<b>2004</b>		<b>2003</b>	
<b>Cash flows from operating activities</b>				
Offerings	\$	822,625	\$	827,163
Media		1,206		1,051
Cash paid to employees and suppliers		(805,891)		(700,722)
<b>Cash provided by operating activities</b>		<b>17,940</b>		<b>127,492</b>
<b>Cash flows from financing activity</b>				
Repayment of installment debt		(66,907)		(54,528)
<b>Cash used for financing activity</b>		<b>(66,907)</b>		<b>(54,528)</b>
<b>Cash flows from investing activity</b>				
Purchase of property		(16,379)		(22,637)
<b>Cash used for investing activity</b>		<b>(16,379)</b>		<b>(22,637)</b>
<b>Increase (decrease) in cash</b>		<b>(65,346)</b>		<b>50,327</b>
<b>Cash, beginning of year</b>		<b>174,654</b>		<b>124,327</b>
<b>Cash, end of year</b>	\$	<b>109,308</b>	\$	<b>174,654</b>
<b>Reconciliation of change in net assets to cash provided by operating activities</b>				
Change in net assets	\$	17,248	\$	128,895
Change in accounts payable		692		(1,403)
	\$	<b>17,940</b>	\$	<b>127,492</b>

*The accompanying notes are an integral part of these financial statements.*

### **1. Summary of Significant Accounting Policies**

#### **Description of Activities**

Coastal Cathedral Church of God (the Church) is a member of the Church of God International Offices, a nonprofit organization incorporated in the State of Tennessee. The Church is dedicated to spreading the Gospel through establishing, developing, and promoting all aspects of church ministry within Savannah, Georgia and the surrounding communities. The Church is supported primarily through contributions from the congregation.

#### **Financial Statement Presentation**

The Church reports information regarding its financial position and activities according to two classes of net assets: unrestricted net assets and temporarily restricted net assets. Gifts of cash and other assets with stipulations that they be used for a specific purpose are classified as temporarily restricted assets until such time as the restriction is met. All other net assets are classified as unrestricted.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Church's financial statements for the year ended December 31, 2003, from which the summarized information was derived.

#### **Offerings**

Offerings received are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted assets and reported in the statement of activities as net assets released from restrictions.

#### **Contributed Services**

The Church receives a substantial amount of services donated by its members in carrying out the church's ministry. No amounts have been reflected in the financial statements for those services as there is no objective basis available to measure the value of such services.

#### **Income Taxes**

The Church is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

# Coastal Cathedral Church of God

## Notes to Financial Statements

### Summary of Significant Accounting Policies (Cont.)

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

#### Uninsured Deposits

The Church maintains cash balances in one financial institution in Georgia, which are insured by the Federal Deposit Insurance Corporation up to \$100,000. Uninsured deposits at December 31, 2004 and 2003 totaled approximately \$8,000 and \$72,000, respectively.

#### Property and Equipment

Property and equipment consists of the following:

<i>December 31,</i>	<b>2004</b>	<b>2003</b>
Building	\$ 2,423,501	\$ 2,423,501
Transportation equipment	139,019	122,639
Furniture and equipment	555,033	555,034
Land	389,440	389,440
	<b>\$ 3,506,993</b>	<b>\$ 3,490,614</b>

Under the rules of the denomination, all property of the Church is held in trust for the use and benefit of the Church of God International. In the event that the Church were to leave the denomination or certain related events were to occur, the control of Church property and the satisfaction of related debts would become the responsibility of the Church of God International.

#### 4. Installment Debt

Installment debt consists of a note payable to a bank \$4,637 monthly including interest at the Bank's prime rate through June 10, 2006. The entire remaining principal and any unpaid interest is due in June 2006. The church has made principal payments in addition to those required by the terms of the note. The real estate of the Church is pledged as collateral. Interest expense is charged to operations and approximates \$15,000 for 2004 and \$19,000 for 2003.

# Coastal Cathedral Church of God

## Notes to Financial Statements

**4. Installment Debt  
(cont.)**

Annual maturities of long-term debt follows:

<i>Years ended</i>		
2005	\$	67,873
2006		307,532
	\$	375,405

**5. Commitments and Contingencies**

The Church leases equipment under a non-cancelable operating lease which expires in 2005. The remaining lease payments approximate \$21,000. Rental expense under operating leases approximated \$24,600 in 2004 and 2003

**6. Restrictions on Net Assets**

Temporarily restricted net assets are available for the following purposes: (

<i>December 31,</i>	<b>2004</b>	<b>2003</b>
Indonesia missions	595	595
Shining Light Pantry	4,678	14,954
Other donor-designated funds	-	5,766
Building	10,408	8,341
	\$ 15,681	\$ 29,656

**7. Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**HANCOCK, ASKEW & Co., LLP**  
CERTIFIED PUBLIC ACCOUNTANTS  
570 EAST YORK STREET  
SAVANNAH, GEORGIA 31401

**Independent Auditors' Report on Supplemental Information**

Church Council  
Coastal Cathedral Church of God  
Savannah, Georgia

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the examinations of the basic financial statements and, in our opinion, except for the matters discussed in paragraphs three and four of our auditors' report, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

*Hancock Askew & Co. LLP*

Savannah, Georgia  
May 25, 2005

# Coastal Cathedral Church of God

## Supplemental Schedule of Expenses on a Functional Basis

	2004					2003
	Ministry	Music	Media	Operations and Administration	Total	Comparative Totals
Salaries	\$ 122,346	\$ 36,881	\$ 14,786	\$ 71,733	\$ 245,746	\$ 183,356
Housing and other benefits	49,355	-	-	-	49,355	67,921
Payroll taxes	11,781	2,822	1,131	4,761	20,495	17,700
Musicals	-	4,651	-	-	4,651	4,639
Conferences	13,148	3,284	-	-	16,432	11,551
Supplies and other	-	4,630	-	21,726	26,356	19,474
Honoraria	7,467	100	-	-	7,567	18,984
Missions	9,673	-	-	-	9,673	4,314
Youth	12,777	-	-	-	12,777	13,940
Benevolence	-	-	-	-	-	381
Christian education	10,247	-	-	-	10,247	7,840
Television	-	-	31,041	-	31,041	29,950
Church of God state and general office	70,697	-	-	-	70,697	59,671
Church of God world missions	35,349	-	-	-	35,349	29,836
Ushers and greeters	1,586	-	-	-	1,586	938
Public relations	-	-	-	-	-	676
Banquets	1,035	-	-	-	1,035	1,784
Transportation	2,296	-	-	-	2,296	1,140
Interest	15,482	-	-	-	15,482	19,481
Professional fees	-	-	-	7,188	7,188	7,474
Maintenance						
Buildings	-	-	-	15,162	15,162	19,819
Grounds	-	-	-	1,723	1,723	2,206
Equipment	-	-	13,315	17,365	30,680	16,584
Utilities	-	-	-	77,571	77,571	64,537
Office supplies	340	-	-	10,464	10,804	8,177
Copier	-	-	-	46,052	46,052	38,563
Postage	-	-	-	5,797	5,797	5,608
Telephone	-	-	-	9,425	9,425	9,560
Cellular	-	-	-	858	858	148
Insurance	-	-	-	31,952	31,952	30,561
Taxes and licenses	-	-	-	3,709	3,709	2,158
Tapes	-	-	4,877	-	4,877	348
	<b>\$ 363,579</b>	<b>\$ 52,368</b>	<b>\$ 65,150</b>	<b>\$ 325,486</b>	<b>\$ 806,583</b>	<b>\$ 699,319</b>