



March 14, 2007

Commission's Secretary
Office of the Secretary
Federal Communications Commission
Attention: CGB Room 3-B431
236 Massachusetts Avenue, NE, Suite 110
Washington, DC 20002

Petition for Exemption from the Commission's Closed Captioning Rules

To Whom It May Concern:

The Wave with Steve Kelly is a non-profit religious television ministry based out of Wave Church in Virginia Beach, Virginia. The Wave with Steve Kelly is aired at 9:30am Sundays on local Channel 2, WTVZ and 12:00pm Thursdays on a Network that has requested to not have their information included in the petition.

For the reasons set forth below, Wave Church requests an undue burden exemption from Closed Captioning Rules for "The Wave with Steve Kelly" pursuant to section 79.1(f) of the Commission's Rules.

The nature and cost of the closed captioning for the programming

We do not have the equipment or the personnel to have closed captioning done in house. Therefore, we would need to have our programs outsourced which would result in a significant amount of expenses. According to the research that we have done, the cost of closed captioning range from \$465.00-\$900.00 per 30 minute show. We would also need to purchase a special type of tape and then pay to have it shipped to and from the alternative source. The additional annual expenses would be anywhere from \$28,000.00-50,000.00.

The impact on the operation of the program owner

The impact of the requirement of closed captioning would be more than Wave Church can afford (Please refer to the attached Financial Statement). As of now we are paying \$1576.00 per week for broadcasting in addition to the part time technical person's salary of \$150.00 per week. The additional expenses would make it so our programs would be nearly three times the cost.



The financial resources of the provider

We have requested assistance from both stations that we broadcast through. WTVZ recommended that we file this petition and the other Network that we use has requested that we not include their information because they are not at the point of needing closed captioning and therefore are not in a position to help us with it.

The type of operation of the program owner

The church produces two, 30 minute programs per week that are broadcasts of the local Sunday morning service edited down to the specific requirements. We are a locally produced and distributed non-news program with no repeat value. The purpose of our program is to reach beyond the walls of the local church and give influence and leadership to the community.

As shown by the above information and the attached financial statements, we request for exemption from the Commission's Closed Captioning Rules because requiring closed captioning would create an undue burden. Thank you for your consideration of our request.

Respectfully,

Joshua Kicker
Senior Associate Pastor/Business Manager
Wave Church
1000 N Great Neck Rd
Virginia Beach VA 23454
Ph: (757) 481-5005 Fx:(757) 496-6697



AFFIDAVIT OF COSTS

I, Joshua Kicker, Senior Associate Pastor and Business Manager of Wave Church, have reviewed the "Petition of Exemption for Closed Captioning Requirements" and certify that the statements regarding this organization are true and accurate to the best of my knowledge.

Joshua Kicker

Date

The foregoing was subscribed and sworn to me, a Notary Public, of the State of Virginia, Virginia Beach County this 14th day of March 2007.

Notary Public



**VIRGINIA BEACH CHRISTIAN LIFE CENTER
(d/b/a Wave Church)**

Statements of Cash Receipts and Disbursements

Years ended December 31, 2005 and 2004

(With Independent Auditors' Report Thereon)



KPMG LLP
2100 Dominion Tower
999 Waterside Drive
Norfolk, VA 23510

Independent Auditors' Report

The Advisory Team
Virginia Beach Christian Life Center:

We have audited the accompanying statements of cash receipts and disbursements of the Virginia Beach Christian Life Center, d/b/a Wave Church (the Center) for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of cash receipts and disbursements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statements of cash receipts and disbursements. We believe that our audits provide a reasonable basis for our opinion.

As described in note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Virginia Beach Christian Life Center, d/b/a Wave Church for the years ended December 31, 2005 and 2004 on the basis of accounting described in note 1.

KPMG LLP

May 2, 2006

VIRGINIA BEACH CHRISTIAN LIFE CENTER
(d/b/a Wave Church)

Statements of Cash Receipts and Disbursements
Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash receipts:		
Offerings	\$ 2,835,124	1,899,916
Building fund	1,394,770	1,716,218
Missions	342,688	277,237
Sundry	78,320	68,436
Rental income (note 6)	32,955	—
Receipts on behalf of Wave Children's Learning Center (note 6)	588,365	—
Receipts on behalf of Hampton Roads Community Care (note 6)	50,811	64,642
College	41,709	38,035
Events, net (note 3):		
Conferences	(20,491)	(28,690)
Other events	(31,431)	(41,877)
Fundraising	11,716	7,246
Product sales	34,166	(12,938)
Proceeds from construction loan	—	2,626,024
Total cash receipts	<u>5,358,702</u>	<u>6,614,248</u>
Cash disbursements:		
Phase I building construction costs	—	3,019,769
Personnel (note 5)	1,249,069	1,028,641
Additional principal payments on EPICenter loan	667,472	—
Phase I furnishings	46,753	639,094
Mortgage payments	600,365	353,037
Travel	278,049	240,200
Payments on behalf of Wave Children's Learning Center (note 6)	600,115	—
Payments on behalf of Hampton Roads Community Care (note 6)	136,397	212,398
Utilities	207,119	196,646
Construction cost, repairs and maintenance	173,131	92,211
Architect fees	55,376	51,337
Gifts and honorariums	167,661	135,379
Hospitality	146,527	117,928
Donations	280,138	117,586
Assets and equipment	390,328	99,618
Professional fees	79,825	72,929
Television	65,457	68,383
Printing and art	56,352	58,017
Loan to employee	40,000	—
Rent (note 6)	46,500	48,463
Advertising	36,776	41,469
Sundry	40,148	40,509
Vehicles	29,773	30,674
Supplies	41,015	29,095
Training	38,837	27,947
Insurance (note 4)	60,077	23,342
Returned checks	22,252	18,323
Services	9,446	15,604
Postage	13,027	15,275
Decorations	3,694	3,290
Curriculum and activities	374	2,775
Photocopying	36	2,128
Program	1,067	720
Total cash disbursements	<u>5,583,156</u>	<u>6,804,786</u>
Deficit of cash receipts under cash disbursements	(224,454)	(190,538)
Cash and cash equivalents at beginning of year	369,472	560,010
Wave Children's Learning Center cash at beginning of year (notes 2 and 6)	29,904	—
Cash and cash equivalents at end of year (note 2)	<u>\$ 174,922</u>	<u>369,472</u>

See accompanying notes to statements of cash receipts and disbursements.

VIRGINIA BEACH CHRISTIAN LIFE CENTER
(d/b/a Wave Church)

Notes to Statements of Cash Receipts and Disbursements

Years ended December 31, 2005 and 2004

(1) Summary of Significant Accounting Policies

(a) Description of Business

The Virginia Beach Christian Life Center, d/b/a Wave Church (the Center) is a nondenominational church located in Virginia Beach, Virginia, with a mission to impact and influence the lives of people in the Hampton Roads community, the nation and the world and to become an example of discipleship, leadership and relationship. The Center plans to multiply its influence in two ways: 1) raise up a generation of leaders in the Center that will, by living to their fullest potential, influence their world for Christ; and 2) network with churches, pastors and leaders of like-minded spirit, as they mentor and empower others to change their communities and sphere of influence for the Kingdom of God.

(b) Basis of Accounting

The accompanying statements of cash receipts and disbursements of the Center have been prepared on the cash basis of accounting, whereby receipts are recognized when cash is received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred. Consequently, the accompanying statements of cash receipts and disbursements is not intended to present the results of operations of the Center in conformity with U.S. generally accepted accounting principles.

(c) Cash Equivalents

The Center considers all short-term investments purchased with original maturities of three months or less to be cash equivalents.

(d) Income Taxes

The Center has been recognized by the Internal Revenue Service to be tax exempt for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code (the IRC).

(2) Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2005 and 2004 were composed of the following:

	<u>2005</u>	<u>2004</u>
Checking - operations	\$ (56,047)	183,257
Savings - operations	133,707	18,200
Money market - investment	65,332	100,463
Money market - Destiny	13,775	67,552
Checking - WCLC operations	18,154	—
	<u>\$ 174,922</u>	<u>369,472</u>

VIRGINIA BEACH CHRISTIAN LIFE CENTER
(d/b/a Wave Church)

Notes to Statements of Cash Receipts and Disbursements

Years ended December 31, 2005 and 2004

(3) Events, Net

A summary of events revenue and related expenses for the year ended December 31, 2005 is as follows:

	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>
Conferences	\$ 107,539	128,030	(20,491)
Other events	100,239	131,670	(31,431)
Fundraising	15,111	3,395	11,716
Product sales	153,040	118,874	34,166
	<u>\$ 375,929</u>	<u>381,969</u>	<u>(6,040)</u>

A summary of events revenue and related expenses for the year ended December 31, 2004 is as follows:

	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>
Conferences	\$ 110,756	139,446	(28,690)
Other events	184,623	226,500	(41,877)
Fundraising	8,473	1,227	7,246
Product sales	108,208	121,146	(12,938)
	<u>\$ 412,060</u>	<u>488,319</u>	<u>(76,259)</u>

Other events consist of mission trips, military recognition events, an annual summer youth camp and various other church-sponsored events.

(4) Key Man Life Insurance Policy

During 2005, the Center increased the term life insurance policy to the amount of \$5,000,000. Pastor Steve Kelly is the insured, and the Center is the owner and beneficiary. The previous policy was issued in 2001 in the amount of \$2,000,000.

(5) Employee Retirement Plan

The Center provides a defined benefit retirement savings plan for all eligible employees under Section 403(b) of the IRC. The plan allows employees to contribute up to 20% of their compensation. The plan provides for employer matching contributions and discretionary contributions authorized by the Advisory Team. The Center matched contributions up to \$200 of the employees' monthly compensation during fiscal years 2005 and 2004. Contributions to this plan were \$22,250 and \$19,850 for the years ended December 31, 2005 and 2004, respectively.

VIRGINIA BEACH CHRISTIAN LIFE CENTER
(d/b/a Wave Church)

Notes to Statements of Cash Receipts and Disbursements

Years ended December 31, 2005 and 2004

(6) Related Party

Hampton Roads Community Care (HRCC) provides outreach to the Hampton Roads community to assist individuals and families to meet their basic and immediate needs for food, clothing and shelter.

In January 2004, management of HRCC assumed responsibility from the Center for its cash management. As such, HRCC events are no longer recorded on the Center's accompanying statement of cash receipts and disbursements.

The Center collects monthly missions offerings on behalf of HRCC. The Center also processes credit card transactions for donor gifts to HRCC. During the years ended December 31, 2005 and 2004, cash receipts on behalf of HRCC totaled \$50,811 and \$64,642, respectively. These amounts were paid to HRCC and are included in payments on behalf of HRCC in the accompanying statements of cash receipts and disbursements.

In September 2004, the Center launched a new educational initiative, Wave Children's Learning Center (WCLC). WCLC provides many programs for children 3 months to 11 years old and offers a Montessori preschool, an Instructional Daycare program, and before and after school programs.

The original intention of the Center was to separate WCLC out as a separate and distinct business entity in 2004. On January 1, 2005, it was determined that WCLC should operate as a department of the Center for the year ended December 31, 2005. As a result, no receipts or disbursements for WCLC were included in the statement of cash receipts and disbursements for the year ended December 31, 2004. Cash receipts on behalf of WCLC of \$588,365 and cash disbursements on behalf of WCLC of \$600,115, are included in the accompanying statements of cash receipts and disbursements in 2005. In future years WCLC will be separated out as its own company.

During the course of 2005, WCLC paid a rental fee of \$2,618 each month to the Center that encompassed rental of facilities and an administrative service fee. Rental receipts and disbursements of \$31,416 have been included in the 2005 statement of cash receipts and disbursements.

(7) Long-Term Debt

The Center has five promissory notes payable at December 31, 2005 totaling \$4,944,387. The interest rates associated with these notes range from 7.00% to 7.125%. Three of the notes are secured by land and buildings and two are secured by vehicles.