

FILED/ACCEPTED

NOV 26 2012

Federal Communications Commission
Office of the Secretary

Main Office – Austin
1145 W. 5th Street, Suite 200
Austin, Texas 78703
(O) 512.467.6060
(F) 512.467.6161

Lakeway
1913 RR 620 South, Suite 101
Lakeway, Texas 78734
(O) 512.467.6060
(F) 512.263.0549

South Padre Island
104 W. Bahama, Suite D
South Padre Island, Texas 78597
(O) 956.761.1358
(F) 877.467.6161

San Angelo
136 W. Twohig, Suite C
San Angelo, Texas 76903
(O) 325.262.4777
(F) 877.467.6161

November 26, 2012

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, TD 20554

Via Hand Delivery

05:30

Re: Case Identifier CGB-CC-052: Reply to Opposition to Petition for Waiver of Closed Captioning Rules

Riverbend Church
4214 N. Capital of TX HWY
Austin, TX 78746

Dear Ms. Dortch:

On behalf of Riverbend Church, pursuant to section 79.1(f) of the Commission's Rules, we hereby submit one original and two copies of a Reply to Opposition to Petition for Exemption of the closed captioning requirements, Docket 06-181.

Please date stamp the enclosed "Return Copy" of this filing and return it to the courier delivering the package.

As always, should you have any questions or require any additional information, please do not hesitate to contact me at your very earliest convenience.

Respectfully submitted,

David C. Courreges
For the Firm

Enclosures

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NOV 26 2012

Federal Communications Commission
Office of the Secretary

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	§	
	§	
RIVERBEND CHURCH	§	Case Identifier CGB-CC-052
	§	CG Docket No. 06.181
Petition for Exemption from Closed Captioning	§	
Requirements Pursuant to Section 79.1(f) of	§	
Commission's Rules	§	

To: Office of the Secretary
ATTN: Disability Rights Office
Room 3-B431

**REPLY TO OPPOSITION TO
PETITION FOR WAIVER OF CLOSED CAPTIONING RULES**

Riverbend Church ("Riverbend" or "Church"), by its attorneys and pursuant to Section 79.1(f) of the Federal Communications Commission's Rules, hereby respectfully submits its Reply to the Opposition to Petition for Exemption filed by Telecommunications for the Deaf and Hard of Hearing, Inc. ("Objector"), to Riverbend's Petition for Waiver of Closed Captioning Rules ("Petition"). In its Petition, Riverbend requested a waiver of the Commission's rules and policies requiring closed captioning for Riverbend's weekly telecast of its church services ("Television Ministry"). The request is based on the economically burdensome nature of the requirement, an automatic exemption under Section 79.1(d)(8) of the Commission's Rules, and a Constitutional guarantee of religious freedom.

With respect thereto, the following is stated:

I. Background

In a letter dated December 12, 2011, Peter Sleeper, Executive Pastor of Riverbend Church ("Pastor Sleeper") did submit petition for an "Exemption to the Closed Captioning

Rules.” On or about April 6, 2012, acting on a request by the Commission dated March 7, 2012, Pastor Sleeper submitted supplemental information. Exhibits included a copy of the December 12, 2011, letter from Pastor Sleeper, a good faith accounting of closed caption service solicitations, an Affidavit of Pastor Sleeper attesting that Riverbend has solicited the in-kind assistance of its video programming distributor, Consolidated Financial Statements for 2009 and 2010, and a letter to the congregation specifically requesting donations to continue the Television Ministry. A true and correct copy of the submission is attached hereto as Exhibit A, and is incorporated in its entirety. Once available, Riverbend did submit additional financial information outlining Fiscal Year 2011 on its own volition. A true and correct copy of the submission is attached hereto as Exhibit B, and is incorporated in its entirety. On or about October 5, 2012, the Commission issued a Request for Comment Request for Exemption From the Commission’s Closed Captioning Rules CG Docket No. 06-181. The document contained the Case Identifier and contact information for eleven separate applicants. On or about November 5, 2012, Opposition did file separate oppositions to each of the eleven applicants contained in the October 5, 2012, Request. Each opposition filed by Objector contained boilerplate language, and substantially similar oppositions to each application without providing specific consideration to each applicant.

II. Standing

Objector has failed to provide any evidence, real or anecdotal, which establishes standing to be a participating party in this matter. Section 79.1(f) of the FCC Rules sets out that any *interested* person may comment, oppose, or reply to a Petition for Exemption. 47 CFR § 79.1(f)(6). A party establishes interest by showing residency within the viewing area of the

broadcasting station, or by regularly viewing the station's broadcast. 12 FCC Rcd. 3487, 3488-3489 (1997).

Though Objector purports to file its opposition on behalf of several named entities, Objector does not definitively state its qualifications as an interested party, nor that it has the authority or permission to object on behalf of the entities listed.¹ *See, e.g., Hunt v. Washington State Apple Advertising Comm'n*, 432 U.S. 333, 343 (1977). Objector is located in Washington, D.C., while the entities Objector purports to represent are based in Washington, D.C., Silver Spring, Maryland, Puyallup, Washington, Fairfax, Virginia, Cypress, California, and Bethesda, Maryland. None are based in, Austin, Texas or the State of Texas, nor is there any evidence that any have membership that reside in or regularly visit Austin, Texas. Most importantly, Objector does not present evidence that it represents an individual who has viewed, attempted to view, or otherwise been directly affected by the Riverbend Television Ministry Telecast.

III. Entitlement to Exemption Based on Economic Burden Standard

Riverbend has sufficiently shown that the additional expense of closed captioning would prove economically burdensome. *See Exhibits A and B.*² Further, Riverbend has proved that it has sought additional resources, in-kind assistance, and has proposed alternative measures to closed captioning. *Id.*

a. Economic Burden

Riverbend has recently been forced to lay off employees due to budgetary shortfalls, and has reduced the hours of others, including the individual in charge of producing the Television

¹ National Association for the Deaf, Deaf and Hard of Hearing Consumer Advocacy Network, Association of Late-Deafened Adults, California Coalition of Agencies Serving the Deaf and hard of Hearing, and the Cerebral Palsy and Deaf Organization, Institute Objection, page 1.

² Riverbend has also provided additional information on bids sought, which is attached as Exhibit C.

Ministry. *See* Exhibits A and D. These cuts can be attributed to the state of the current economy, which has prompted Riverbend to reduce its budget by over \$500,000 for the current fiscal year. The Church is currently operating at a deficit, and must pay bills when they come due. Though it is the goal of Riverbend to retain the Television Ministry, any additional costs would result in the Ministry's termination.

Objector points to Riverbend's net assets, and amount of pledges as sources of income. Like most entities, Riverbend does have assets, though most are not liquid. Of the liquid assets, most are in the form of pledges and cannot be counted on as actual income. Advocating that Riverbend "leverage" other assets to provide for closed captioning services fails to recognize basic accounting principles, and also ignores Riverbend's status as a 501(c)(3) tax-exempt non-profit entity, and the regulations associated therewith. *See* Objector's Opposition at 6. In addition to the regulations Riverbend must follow as a 501(c)(3) entity it is required to conform to many other financial regulations without exemption, including those provided in Section 79.1 of the Commission's Rules. This practice is exemplified in a letter contained in Exhibit A which solicited funds for the Television Ministry.

b. Alternative methods of funding and proposed alternatives to closed captioning

In addition to the solicitation of Church membership for the necessary funding to continue the Television Ministry, Riverbend sought the assistance of KTBC Fox 7 for assistance, and offered additional alternatives including sign language interpretation. *See* Exhibit A. Objector acknowledges Riverbend's willingness to offer sign language translation of its programming. *See* Objector's Opposition at page 7. However, it erroneously comes to the conclusion without authority that such a compromise is "not an adequate substitute for offering

closed captions... which ensure that all members of the community, including those who do not understand sign language, can access programming on equal terms.” *Id.* Such a conclusion is assumptive, and is unreasonable. Neither closed captioning, nor a sign language accommodation account for disabled individuals with corresponding visual impairments, or other disabilities. More so, an assumption can be made that many who are audibly impaired are unable to read the written word at a rate suitable for closed captioning to be effective, if at all. Further, American Sign Language allows for inflection that brings meaning to the content that the written word cannot. For instance, the Department of Justice has commented that under the Americans with Disabilities Act the written word is an effective form of communication, but if a more complicated conversation is required, a qualified American Sign Language interpreter may or other means of communication may be required.³ Where the Department of Justice does recognize that not all people who are deaf or hard of hearing are trained in sign language, the same assumption can be made about an individual’s ability to read and decipher closed captioning.

IV. Other Factors in Support of Exemption

a. Exemption by Operation of Rules

Riverbend’s television ministry is entitled to an additional exemption by operation of FCC Rules, specifically 47 CFR § 79.1(d)(8), which contemplates exemptions for locally produced and distributed non-news programming. It is the stated policy of the FCC to interoperate 79.1(d)(8) broadly, though Objector seeks to limit its scope in a way that would be

³ See *Americans with Disabilities Act ADA Business Brief: Communicating with People Who Are Deaf or Hard of Hearing in Hospital Settings*, U.S. Department of Justice Civil Rights Division, Disability Rights Section, 2003.

devastating to most church telecasts.⁴ The Television Ministry is a weekly, locally produced and distributed non-news program of religious and social interest with no repeat value. It is produced by Riverbend, broadcast locally once a week on KTBC Fox 7. Its purpose is to serve as a ministry to individuals who cannot attend services at Riverbend in person.

b. Unconstitutional Nature of Closed Captioning

Even if the Commission erroneously agrees with Objector that Riverbend does not qualify for any of the exemptions contemplated under Section 79.1 of the Rules, a directive to provide closed captioning would be impermissible under the First Amendment of the Constitution. The Commission's imposition of a regulation that greatly restricts Riverbend's ability to present its telecast in a way that best fits its religious mission amounts to an unconstitutional restriction. *See Hosanna-Tabor Evangelical Lutheran Church and School v. EEOC*, 132 S. Ct. 694, 181 L. Ed. 2d 650 (2012),

The economic burden that Riverbend currently faces has been well documented. The imposition of a closed captioning requirement on Riverbend by the FCC would amount to an equally intrusive mandate that would cause irreparable harm to the Telecast and its ultimate demise, thus limiting the availability of religious expression to thousands of Central Texans. *See Hosanna-Tabor Evangelical Lutheran Church and School v. EEOC, supra.*

V. Conclusion

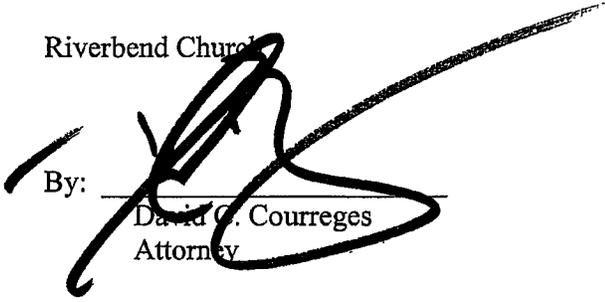
Riverbend Church has sufficiently demonstrated an inability to afford closed captioning costs for its programming in addition to seeking additional funding and alternative means to closed

⁴ The FCC's 1997 *Report and Order*, 13 FCC Rcd 3272 (1997) and the FCC's 1998 *Reconsideration Decision*, 13 FCC Rcd 1973 (1998).

captioning. Objector has offered no evidence as to standing, nor has it provided any substantive evidence that Riverbend should not be granted an exemption under the Rules. In consideration of the above, as well as the incorporated materials, the Federal Communications Commission should grant Riverbend's Petition for Waiver of Closed Caption Requirements.

Respectfully Submitted,

Riverbend Church

By: 

David C. Courreges
Attorney

David C. Courreges
Hay Compere, PLLC
1145 West 5th Street, Suite 200
Austin, TX 78703
(512) 467-6060 - Office
(512) 467-6161 - Facsimile

CERTIFICATE OF SERVICE

I, David C. Courreges, hereby certify that on this 26th day of November, 2012, a copy of the foregoing Reply to Opposition to Petition for Exemption is being sent via first class, U.S. Mail, postage prepaid, to the following:

Blake E. Reid
Institute for Public Representation
Georgetown Law
600 New Jersey Ave. NW
Washington, DC 20001

Telecommunications for the Deaf and Hard of Hearing, Inc.
Claude Stout, Executive Director
8630 Fenton Street, Suite 121
Silver Spring, MD 20910

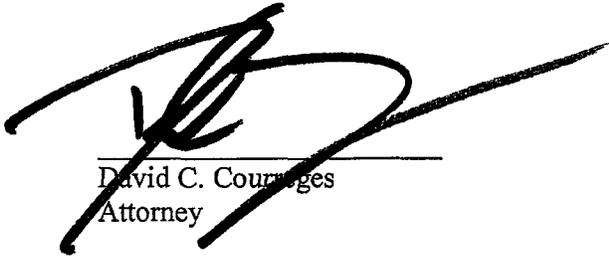
National Association of the Deaf
Howard Rosenblum, Chief Executive Office
8630 Fenton Street, Suite 820
Silver Spring, MD 20910

Deaf and Hard of Hearing Consumer Advocacy Network
Cheryl Heppner, Vice Chair
3951 Pender Drive, Suite 130
Fairfax, VA 22030

Association of Late-Deafened Adults
Brenda Estes, President
8038 Macintosh Lane, Suite 2
Rockford, IL 61107

California Coalition of Agencies Serving the Deaf and Hard of Hearing
Sheri A. Farinha, Vice Chair
4708 Roseville Road, Suite 111
North Highlands, CA 95670

Cerebral Palsy and Deaf Organization
Mark Hill, President
1219 NE 6th Street #219
Gresham, OR 97030



David C. Courreges
Attorney

EXHIBIT A



FILED/ACCEPTED

APR - 6 2012

Federal Communications Commission
Office of the Secretary

April 6, 2012

Office of the Secretary
Federal Communications Commission
Attention: Disability Rights Office, Room 3-B431
9300 East Hampton Drive
Capitol Heights, MD 20743

Via Hand Delivery

Re: Case Identifier CGB-CC-052: Petition for Exemption from Closed Captioning Requirements under Section 79.1(f)

This correspondence will acknowledge receipt of your letter dated March 7, 2012 with respect to the above-captioned matter. Per your request, please accept the following supplemental information, and the accompanying exhibits, for your favorable consideration.

As stated in our previous correspondence, attached hereto as "Exhibit A," and the accompanying exhibits, the additional cost of closed captioning would cause significant hardship to our congregation and community. Effects would most likely include the decrease in the quality of our program, forced elimination of other church-sponsored services, and/or the reduction of staff benefits. For these reasons, and the reasons set forth below, Riverbend Church hereby renews its request to be granted an exemption from the closed captioning requirement pursuant to Section 79.1(f).

BACKGROUND

Located in Austin, Texas, Riverbend Church ("Riverbend") is a domestic nonprofit corporation organized under the laws of the State of Texas. Our vision is to make Austin a great place for all, by: being a leading spiritual voice in our community; creating an authentic community; celebrating the arts in our community; serving the community; championing the message of God's grace. An important component of our vision is Riverbend's Television Ministry program, which is a 30 minute program that airs every Sunday morning at 7:30 am on KTBC Fox Austin. Reaching approximately 5,800 - 6,500 viewers each morning, the Television Ministry has been changing the lives of thousands of people for over 25 years. It reaches those people living in loneliness and brokenness that desperately need to hear God's message. It is our belief that if we can continue to reach these people via this medium, it can make a difference in their lives.

NATURE AND COST OF CLOSED CAPTIONING

As evidenced by the schedule compiled and attached hereto as "Exhibit B," in an effort to comply with the FCC's requirement to provide closed captioning services, representatives of Riverbend contacted several national captioning and transcription services to inquire about the cost of outsourcing closed caption production. The additional expenditure would average an additional \$340 per telecast, with an aggregate total of \$17,680 per year. In-house production of captioning would require the purchase of specialized equipment and the hiring of additional skilled staff, resulting in projected costs similar or greater to that of outsourcing. Taking into consideration that Riverbend recently had to lay off employees due to budget constraints, the hiring of additional staff is not feasible or realistic.

In light of the above, and in further compliance with the requirements of Section 79.1(f), our representatives sought the assistance of our video programming distributor, KTBC FOX 7. Unfortunately, FOX 7 is unable to provide closed captioning services at a free or reduced cost. Attached hereto, as "Exhibit C," is the affidavit, in which I attest to that fact.

IMPACT ON THE OPERATION OF THE PROGRAM PROVIDER

In addition to the burden of cost described above, we are faced with a burden of time. To appropriately transcribe one half-hour television program an additional two to three hours of production time would be required. The additional time required for the production processes would greatly infringe upon already narrow deadlines that are beyond our control to change, resulting in a program that is untimely.

FINANCIAL RESOURCES OF THE PROGRAM PROVIDER

Member and community gifts to our general fund were significantly under target goals in 2011. As a result, we have had to reduce the 2012 budget by over \$550,000. We are in the process of completing our 2011 financials, but have included the most recent certified and verified financial information from 2010 and 2009, which is attached hereto as "Exhibit D."

The area most impacted by the drastic reduction in giving is the Television Ministry, which costs a minimum of \$175,000 annually to produce and air. Due to impact of our budget reductions, the broadcast is already on the verge of termination unless we are able to raise \$350,000 over the course of the next two years. This amount does not include additional costs associated with closed captioning, which would increase the costs of production by almost 19% per year. We have attempted to spur contributions from our congregation, as well as outside donors, but continue to fall short. An example of our efforts is represented by the attached "Exhibit E," a letter to our congregation dated February 21, 2012 which solicits donations specifically for the Television Ministry.

TYPE OF OPERATIONS OF THE PROGRAM PROVIDER

Riverbend is first and foremost a church that operates at physical location, and provides traditional services for its members, community outreach, and engages in other activities commonly associated with a community religious organization. Our Television Ministry is but one aspect of the services we provide. With that, television is one of the most powerful and effective communication methods available today. We depend on our weekly telecast to draw in members, and provide ministry for those who are not able to leave their homes to attend church. In many instances, this is the only way our shut-in members can worship, or even have the semblance of normalcy they once enjoyed. We feel that the elimination of the Ministry would have a detrimental impact on our members, and the entire Austin community.

OTHER FACTORS

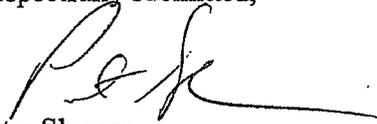
Riverbend is willing to actively solicit volunteers from its membership to agree to interpret the program into sign language on-air, in an attempt to find a reasonable substitute for the closed captioning requirement. It is our understanding that this is a historically common solution to the economic barriers that close captioning production would otherwise impose.

SUMMARY

As demonstrated by the information provided herein, as well as the exhibits attached, the Federal Communications Commission should grant Riverbend Church a Section 79.1(f) exemption, as the addition of closed captioning costs to our budget would be economically burdensome. The requirement would necessitate the addition of paid staff, significantly increase production cost, cause time delays in the production process, and would significantly impact the day to day operations of the Church due to resulting cuts from other areas of the budget.

On behalf of Riverbend Church, we ask for your favorable response to this request. As always, should you have any questions or require any additional information, please do not hesitate to contact me at your very earliest convenience.

Respectfully submitted,



Peter Sleeper
Executive Pastor
Riverbend Church

EXHIBIT A

Received & Inspected

DEC 21 2011

FCC Mail Room

Case Identifier: CGB-CC-0520

Commission's Secretary,
Office of the Secretary
Federal Communications Commission
Attention: Disability Rights Office, Room 3-B431
445 12th Street, SW,
Washington, DC 20554

Subject: Exemption to the Closed Captioning Rules

To Whom It May Concern:

Riverbend Church is an Austin, Texas non-profit organization. We believe that as part of the Church of Jesus Christ we have been called to a mission to Reclaim the bruised, battered, broken and bored to the cause of Jesus Christ so that they might be Restored to a committed, personal relationship with Christ and thereby, in the course of their own spiritual growth, become Reproducers for the Kingdom of God. We believe God is the source of all blessings, and all we have and are we owe to Him. We freely serve Him with our time, talent, and material possessions to use for helping others. The television broadcast is one medium by which we strive to connect to people in the community.

Riverbend Church is hereby requesting an exemption from the closed captioning rules pursuant to Section 79.1(d) of the commission's rules for the reasons listed below:

Nature and Cost of Closed Captions

We contacted several national captioning services to determine the cost of outsourcing closed captioning programming. The cost averaged an additional \$340 per episode or a total of \$17,680 per year. To handle the captioning in-house would require the purchase of equipment at a cost of \$7,000, plus the hiring of additional staff to handle the verbatim transcription of the sermons. In addition, it takes approximately 2-3 hours to transcribe one 30-minute program. Either option would impact our airdate deadlines and the timeliness of our program. We believe such additional cost and time delays would place an undue burden on the ministry.

Impact on the Operation of the Provider Program

The total cost of our broadcast on an annual basis is \$94,412 per year. Closed captioning would increase that cost by almost 19% per year. This increase is not budgeted in 2012. If forced to absorb the additional cost, the church may be forced to eliminate programs to provide closed captioning for the broadcast.

The logo for Riverbend embracing austin features a large, stylized lowercase 'r' inside a circle, followed by the word 'iverbend' in a simple sans-serif font. Below this, the words 'embracing austin' are written in a lowercase, rounded, friendly font.

4214 N. Capital of Tx Hwy.
Austin, Tx 78746

512.327.3540 phone
512.327.3895 fax

Financial Resources of the Program Provider

Riverbend Church is a tax-exempt, non-profit organization. Our most recent financial information is attached. We depend solely on contributions from the members of the church to fund our programs each year. Our main expenditures are for the staff and other resources necessary to provide ministries and services to the community and to members of the church.

Other Factors

We believe that the local, non-news exemption to the closed captioning rule also applies to the Riverbend Church broadcast. The program is produced and distributed locally, and the sermons of Riverbend Church are of primarily local public interest. The episodes are not considered news.

Conclusion

As shown by the petition and its attachments, the commission should grant a waiver of the closed captioning requirements in this case, because requiring closed captioning would create an undue burden. The cost of captioning would be excessively high and would have a significant impact on Petitioner's operations. The Petitioner's type of operations and financial resources are different in kind and magnitude from a mainstream-programming provider. Because of the significant difficulty and expense of providing closed captions, a waiver under section 79.1(f) is warranted. If more information is needed, please contact me at the address provided.

Respectfully submitted,

Peter Sleeper
Executive Pastor
Riverbend Church

EXHIBIT B

Closed Captioning costs

We contacted several national captioning services to determine the cost of outsourcing closed captioning programming.

CPC – Computer Prompting & Captioning Co.

Rockville, MD 20852

Captioning service: 2-day turnaround

Caption only - \$17,680 per year

Transcript & caption - \$22,360 per year

In-house captioning

CPC Captioning hardware/software:

DTV - \$6,995

MacCapture – text capture - \$495

Additional employee time

Dynamic Captioning LLC

Service:

Captioning - \$8,580 per year

Transcription costs

Caption Labs

Service:

Captioning - \$8,684 per year

Transcription costs

EXHIBIT C

AFFIDAVIT OF PASTOR PETER SLEEPER

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

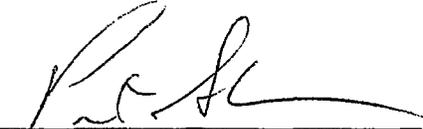
Before me, the undersigned authority, on this date personally appeared PETER SLEEPER, executive pastor at Riverbend Church, who, after being duly sworn, deposed on his oath had stated:

1. I am the Executive Pastor at Riverbend Church, a non-profit organization in Austin, Texas. I am an adult over eighteen years of age, I am of sound mind and am in all respects qualified to make this Affidavit. I have personal knowledge of the facts stated herein, and such facts are true and correct.

2. I have sought the assistance of our video programming distributor, KTBC FOX 7. Unfortunately, FOX 7 is unable to provide closed captioning services at a free or reduced cost.

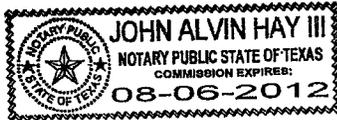
3. I have reviewed the Petition for Exemption for Closed Captioning Requirements filed on behalf of Riverbend Church, and upon information and belief, believe the statements regarding our organization and the Television Ministry to be true and accurate.

FURTHER AFFIANT SAYETH NOT.”



PETER SLEEPER

Sworn to and subscribed before me on this the 6 day of April, 2012.





Notary Public for the State of Texas

EXHIBIT D

RIVERBEND CHURCH
(and a subsidiary company)

CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2010 and 2009

Gindler, Chappell, Morrison & Co. P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Church Council and Members of
Riverbend Church
Austin, Texas

We have audited the accompanying consolidated statement of financial position of Riverbend Church and a subsidiary company, as of December 31, 2010 and 2009, and the related consolidated 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.

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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverbend Church, and a subsidiary company, as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Gindler, Chappell, Morrison & Co., P.C.

Austin, Texas
May 2, 2011

CONSOLIDATED FINANCIAL STATEMENTS

RIVERBEND CHURCH

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2010 and 2009

	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 703,021	\$ 656,503
Receivables		
Pledges due within one year (note 2)	2,143,797	-
Affiliated organizations	3,691	3,794
Program and other cost reimbursements	1,619	3,980
Other receivables	17,216	11,171
Prepaid insurance and expenses	42,824	41,828
Inventory - Bookstore	58,649	54,492
Total current assets	2,970,817	771,768
Cash and investments restricted as to use (note 7)	1,291,613	145,317
Pledges due in future periods (note 2)	2,435,686	-
Fixed assets		
Land, buildings and improvements	31,294,043	31,336,236
Furniture and equipment	2,113,271	1,950,180
Less accumulated depreciation	(16,260,604)	(15,229,576)
Net fixed assets before construction	17,146,710	18,056,840
Construction in progress	481,326	23,651
Net fixed assets	17,628,036	18,080,491
Other assets	15,868	15,868
Life insurance policy (note 3)	-	-
Total assets	\$24,342,020	\$19,013,444
LIABILITIES, RETAINED EARNINGS AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 94,619	\$ 86,656
Payroll taxes payable	31,022	16,883
Vacation leave accrued	70,279	64,744
Deposits collected	81,278	73,987
Due to affiliated organizations	13,920	-
Current portion of long-term debt (note 5)	136,297	317,925
Total current liabilities	427,415	560,195
Other accrued liabilities	46,685	55,850
Long-term debt, net of current portion (note 5)	9,555,481	9,691,757
Total liabilities	10,029,581	10,307,802
Retained earnings (deficit)	9,784	(37,166)
Net assets		
Unrestricted net assets		
Available for operations	84,005	415,917
Designated for repairs and maintenance	300,000	-
Investment in fixed assets	8,036,259	8,170,806
Total unrestricted net assets	8,420,264	8,586,723
Temporarily restricted net assets (note 7)	5,872,291	146,585
Permanently restricted net assets (note 8)	10,100	9,500
Total net assets	14,302,655	8,742,808
Total liabilities, retained earnings and net assets	\$24,342,020	\$19,013,444

See accompanying Notes to Consolidated Financial Statements.