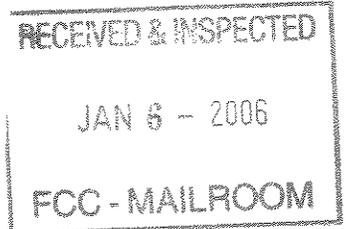


CGB-CC-0275

Office of the Secretary
Federal Communications Commission
Attention: CGBRoom 3-B431
445 12th Street SW
Washington, DC 20554



Petition for Exemption from Closed Captioning Requirements

Introduction

The Diocese of Lake Charles in Louisiana is a canonically established division of the Roman Catholic Church made up of the five civil parishes (counties) of Southwest Louisiana. The Diocese was formed in 1980 from territory previously part of the Diocese of Lafayette in Louisiana. The mission of the Diocese of Lake Charles, through its Catholic faithful, gathered with its bishop, is to carry on the work of Christ under the guidance of the Holy Spirit by promoting personal holiness for ourselves and increasing the flock under His care. To fulfill the mission the following goals have been established: 1. To make parishes vital centers of worship, reconciliation, and Christian community. 2. To teach Catholic beliefs, traditions, and values in the context of deepening spirituality and life-long religious education and formation. 3. To share our faith with all God's people. 4. To call forth men and women to develop leadership for ministry. 5. To heal human injustice, to preserve human rights, and to enable the poor to uplift themselves in collaboration with all people of good will. 6. To foster the understanding and practice of responsible stewardship of our human and material resources. The Catholic population of the Diocese is about 75,000 out of a general population of about 250,000.

The *Glad Tidings* program provides a Sunday spiritual message from the Bishop of the Diocese or, in his absence, a homily from one of the priests of the Diocese and segments of local, national and religious interest to the listeners.

Glad Tidings is an hour long program airing each Sunday morning (except for two or three Sundays yearly when it is pre-empted by national network programming) on KPLC-TV, Channel 7 (Lake Charles, Louisiana) at 6 a.m. (Central Time). The program is produced by a local freelance producer, who has done this work since the formation of the Diocese.

For the reasons set forth below, The Diocese of Lake Charles hereby requests an undue burden exemption from the closed captioning rules for *Glad Tidings*, pursuant to § 79.1(f) of the Commissions rules.

Nature and Cost of Closed Captions

Information has been gathered from several companies who do closed captioning for videos. Estimates of the cost to add closed captions to each hour-long program range from \$120 to \$780.

Impact on the Operation of the Program Provider

In our most recently completed fiscal year the cost of producing *Glad Tidings* was about \$65,000.00 or about \$1,300 per episode. These costs include the taping of each segment and the editing costs of the weekly program. If the cost of closed captioning averages \$450 per program that would add 34.5 percent to the production cost, an increase that would be difficult to absorb. Additionally the cost of airing the program is currently \$650 per Sunday, which an increase anticipated in mid-2006. As the show is a weekly presentation, the final program is not completed and edited until Thursday prior to airing and delivered per the television station's request no later than Friday morning. Since the companies researched require the shipping of the tape to them with at least a three-day turnaround this would make timely production and timely delivery for airing impossible given our current methods of operation.

Financial Resources of the Program Provider

The Diocese of Lake Charles is a tax exempt 501(c)3 organization through its affiliation with the United States Conference of Catholic Bishops. The Diocese receives funding through the contributions of the Catholic faithful of Southwest Louisiana, via an annual Bishop's Services Appeal, diocesan assessments of the 38 churches in the Diocese, the parochial tithe, grants from Catholic institutions, and special programs and other revenues.

Funds are expended to support Catholic education, community social services, pastoral life and support.

Type of Operations of the Program Provider

The Diocese of Lake Charles a non-profit religious institution with 38 church parishes. Our Social Service arm along with our eight Catholic schools are the largest funded programs. Our schools have more than 2,800 students and our Social Service program provides assistance to all those in need in our area, nearly 5,000 during the calendar year of 2005. With the landfall of Hurricane Rita in Southwest Louisiana in September the Social Service arm of the Diocese anticipates up to a 100 percent increase in the number of people served during

2006. Expenditures to aid those in need from this natural disaster will be increased and all other offices and departments of the Diocese of Lake Charles will have their funding reduced in order that more money may be used to aid those who have been displaced by the hurricane.

Other Factors

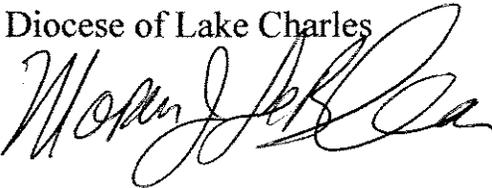
Petitioner believes that the local, non-news exemption to the closed captioning rules also applies to *Glad Tidings*. As noted above, the program is produced and distributed locally, and the sermons of the Diocese of Lake Charles are of primarily local interest. The episodes are not news, they do not have repeat value, and the electronic newsroom technique is not available. Notwithstanding the applicability of the exemption, we have filed this petition in an abundance of caution and for the purpose of establishing certainty.

Conclusion

As shown by this 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 costs of captioning would be excessively high and would have a significant impact on Petitioners operations. The Petitioner's type of operation 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 § 79.1(f) is warranted.

Respectfully submitted,

The Diocese of Lake Charles

By: 

Morris J. LeBleu, Director of Communications
Diocese of Lake Charles
414 Iris Street
Lake Charles, LA 70601
337-439-7426, Ext. 14
FAX: 337-439-7428

Dated: January 5, 2006



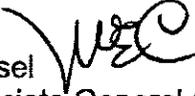
Office of the General Counsel

3211 FOURTH STREET NE • WASHINGTON DC 20017-1194 • 202-541-3300 • FAX 202-541-3337

July 8, 2005

TO: Most Reverend Archbishops and Bishops, Diocesan Attorneys
and State Conference Directors

SUBJECT: 2005 Group Ruling

FROM: Mark E. Chopko, General Counsel 
(Staff: Deirdre Dessingue, Associate General Counsel)

Attached is a copy of the Group Ruling issued to the United States Conference of Catholic Bishops on July 1, 2005 by the Internal Revenue Service ("IRS"), with respect to the federal tax status of Catholic organizations listed in the 2005 edition of the Official Catholic Directory ("OCD")^{1/}. As explained in greater detail below, this ruling is important for establishing:

- (1) the exemption of such organizations from:
 - (a) federal income tax;
 - (b) federal unemployment tax (but see ¶5 of "Explanation" below); and
- (2) the deductibility, for federal income, gift and estate tax purposes, of contributions to such organizations.

The 2005 Group Ruling is the latest in a series that began with the original determination of March 25, 1946. In the 1946 document, the Treasury Department affirmed the exemption from federal income tax of all Catholic institutions listed in the OCD for that year. Each year since 1946, in a separate letter, the 1946 ruling has been extended to cover the institutions listed in the current OCD^{2/}. The language of these rulings has remained relatively unchanged, except to reflect intervening modifications in the Internal Revenue Code ("Code"). The 2005 Group Ruling is consistent with the 2004 ruling.

Annual group rulings clarify important tax consequences for Catholic institutions listed in the OCD, and should be retained for ready reference. Rulings from earlier years are important to establish the tax consequences of transactions that occurred during those years.

¹ A copy of the Group Ruling and this memo may be found on the USCCB website at www.usccb.org/ogc.

² Catholic organizations with independent IRS exemption determination letters are listed in the 2005 OCD with an asterisk (*), which is explained at page A-6 and indicates that such organizations are *not* covered by the Group Ruling.

Responsibilities under Group Ruling. *Diocesan officials who compile OCD information for transmittal to the OCD publisher are responsible for the accuracy of such information.* This means that they must ensure that only qualified organizations are listed, that organizations that cease to qualify are deleted promptly, and that qualified newly-created organizations are listed as soon as possible. The current application package for inclusion in the Group Ruling and OCD is available at <http://www.usccb.org/bishops/dfi/exemptionruling.htm>.

EXPLANATION

1. **Exemption from Federal Income Tax.** The latest ruling reaffirms the exemption from federal income tax under section 501(c)(3) of the Code of "the agencies and instrumentalities and educational, charitable, and religious institutions operated, supervised or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in the Official Catholic Directory for 2005" (*with the exception of organizations designated in the OCD with an asterisk and foreign organizations*).

2. **Federal Excise Taxes.** Inclusion in the Group Ruling has no effect on an organization's liability for federal excise taxes. Exemption from these taxes is very limited. Please refer to your attorney any questions you may have about excise taxes.

3. **State/Local Taxes.** Inclusion in the Group Ruling does not automatically establish an organization's exemption from state or local income, sales or property taxes. Typically, separate exemptions must be obtained from the appropriate state or local tax authorities in order to qualify for any applicable exemptions. Please refer to your attorney any questions you may have about state or local tax exemptions.

4. **Deductibility of Contributions.** The Group Ruling assures donors that contributions to the institutions listed in the 2005 OCD and covered by the Group Ruling are deductible for federal income, gift, and estate tax purposes.

5. **Unemployment Tax.** The Group Ruling establishes exemption from *federal* unemployment tax only. Individual states may impose unemployment tax on organizations included in the Group Ruling, even though they are exempt from the federal tax. Please refer to your attorney any questions you may have about state unemployment tax.

6. **Social Security Tax.** All section 501(c)(3) organizations, including churches, are required to pay taxes under the Federal Insurance Contributions Act (FICA) for each employee who is paid \$100 or more in a calendar year.³ Services

³ Section 3121(w) of the Code permits certain church-related organizations to make an irrevocable election to avoid payment of FICA taxes, but only if such organizations are opposed for religious reasons to payment of social security taxes.

performed by diocesan priests in the exercise of their ministry are not considered "employment" for FICA (Social Security) purposes,^{4/} and FICA should not be withheld from their salaries. For Social Security purposes, diocesan priests are subject to self-employment tax ("SECA") on their salaries as well as on the value of meals and housing or housing allowances provided to them.^{5/} Neither FICA nor income tax withholding is required on remuneration paid to religious institutes for members who are subject to vows of poverty and obedience and are employed by organizations included in the Official Catholic Directory.^{6/}

7. **Form 990.** All organizations included in the OCD must file Form 990, Return of Organization Exempt from Income Tax, unless they are eligible for a mandatory or discretionary exception. ***There is no automatic exemption from the Form 990 filing requirement simply because an organization is listed in the OCD.*** Organizations required to file Form 990 must do so by the 15th day of the fifth month after the close of their fiscal year.^{7/} Among the organizations not required to file Form 990 under section 6033 of the Code are: churches; integrated auxiliaries of churches^{8/}; the exclusively religious activities of religious orders; schools below college level affiliated with a church or operated by a religious order; organizations with gross receipts normally not in excess of \$25,000;^{9/} and certain church-affiliated

⁴ I.R.C. § 3121(b)(8)(A).

⁵ I.R.C. § 1402(a)(8). See also, Compensation of Priests, at <http://www.usccb.org/bishops/dfi/duaitax.htm>.

⁶ Rev. Rul. 77-290, 1977-2 C.B. 26. See also, Compensation of Religious, at <http://www.usccb.org/bishops/dfi/religiouscomp.htm>.

⁷ The penalty for failure to file the Form 990 is \$20 for each day the failure continues, up to a maximum of \$10,000 or 5 percent of the organization's gross receipts, whichever is less. However, organizations with annual gross receipts in excess of \$1 million are subject to penalties of \$100 per day, up to a maximum of \$50,000. I.R.C. § 6652(c)(1)(A).

⁸ I.R.C. § 6033(a)(2)(A)(i); Treas. Reg. § 1.6033-2(h). To qualify as an integrated auxiliary of a church, an organization must be described in section 501(c)(3), qualify as other than a private foundation, be affiliated with a church, and qualify as internally supported. An organization will be considered internally supported unless it both:

- (1) Offers admissions, goods, services, or facilities for sale, other than on an incidental basis, to the general public (except goods, services, or facilities sold at a nominal charge or substantially below cost), and
- (2) normally receives more than 50 percent of its support from a combination of governmental sources; public solicitation of contributions (such as through a community fund drive); and receipts from the sale of admissions, goods, performance of services, or furnishing of facilities in activities that are not unrelated trades or businesses.

⁹ Rev. Proc. 83-23, 1983-1 C.B. 687.

organizations that finance, fund or manage church assets, or maintain church retirement insurance programs, and organizations controlled by religious orders that finance, fund or manage assets used for exclusively religious activities.^{10/}

Organizations that are required to file Form 990 must upon request make a copy of the form and its schedules and attachments (other than contributor lists) available for public inspection during regular business hours at the organization's principal office and at any regional or district offices having three or more employees. Form 990 for a particular year must be made available for a three year period beginning with the due date of the return.^{11/} In addition, organizations that file Form 990 must comply with written or in-person requests for copies of the Form 990. The organization may impose no charge other than a reasonable fee to cover copying and mailing costs. If requested, copies of the Form 990 for the past three years must be provided. In-person requests must be satisfied on the same day. Written requests must be satisfied within 30 days.^{12/}

8. **Revenue Procedure 75-50.** Rev. Proc. 75-50^{13/} sets forth notice, publication, and recordkeeping requirements regarding racially nondiscriminatory policies that must be complied with by private schools, including church-related schools, as a condition of establishing and maintaining exempt status under section 501(c)(3) of the Code. Under Rev. Proc. 75-50 private schools are required to file an annual certification of racial nondiscrimination with the IRS. For private schools not required to file Form 990, the annual certification must be filed on Form 5578, Annual Certification of Racial Nondiscrimination for a Private School Exempt from Federal Income Tax. This form may be obtained from your local IRS office. Form 5578 must be filed by the 15th day of the fifth month following the close of the fiscal year. Form 5578 may be filed individually or by the diocese on behalf of all schools operated under diocesan auspices. The requirements of Rev. Proc. 75-50 remain in effect and must be complied with by all schools listed in the OCD. ***Diocesan or school officials should insure that the requirements of Rev. Proc. 75-50 are met since failure to do so could jeopardize the exempt status of the school***

¹⁰ Rev. Proc. 96-10, 1996-1 C.B. 577.

¹¹ The penalty for failure to permit public inspection of the Form 990 is \$20 for each day during which such failure continues, up to a maximum of \$10,000. I.R.C. § 6652(c)(1)(C).

¹² I.R.C. § 6104(d). Generally, a copy of an organization's exemption application and supporting documents must also be provided on the same basis. However, since Catholic organizations covered under the Group Ruling did not file exemption applications with IRS, nor did USCCB, organizations covered under the Group Ruling should respond to requests for public inspection and written or in-person requests for copies by providing a copy of the page of the current OCD on which they are listed. If a covered organization does not have a copy of the current OCD, it has two weeks within which to make it available for inspection and to comply with in-person requests for copies. Written requests must be satisfied within the general time limits.

¹³ 1975-2 C.B. 587.

and, in the case of a school operated by a church, the exempt status of the church itself.

9. **Lobbying Activities.** Organizations included in the OCD may lobby for changes in the law, provided such lobbying is not more than an insubstantial part of their total activities. Attempts to influence legislation both directly and through grassroots lobbying are subject to this restriction. The term "lobbying" includes activities in support of or in opposition to referenda, constitutional amendments, and similar ballot initiatives. There is no distinction between lobbying activity that is related to an organization's exempt purposes and lobbying that is not. There is no fixed percentage that constitutes a safe harbor for "insubstantial" lobbying. Please refer to your attorney any questions you may have about permissible lobbying activities.

10. **Political Activities.** ***Organizations included in the Group Ruling may not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Violation of the prohibition against political activity can jeopardize the organization's tax-exempt status.*** In addition to revoking exempt status, IRS may also impose excise taxes on an exempt organization and its managers on account of political expenditures. Where there has been a flagrant violation, IRS has authority to seek an injunction against the exempt organization and immediate assessment of taxes due. Political Campaign Activity Guidance for Catholic Organizations (March 15, 2004) available at www.usccb.org/ogc, contains detailed information regarding the political activity prohibition. If you have any questions in this regard, please refer them to your attorney.

11. **Public Charity Status.** The latest Group Ruling affirms that organizations included in the OCD are not private foundations under section 509(a) of the Code. However, the Group Ruling does not identify the subsection of section 509(a) under which a particular organization is classified as a public charity. Organizations must determine for themselves whether they qualify for such status under the provisions of section 509(a)(1), (a)(2) or (a)(3). Newly-created or newly-affiliated organizations must establish that they are not private foundations as a condition of inclusion in the Group Ruling and OCD.

12. **Group Exemption Number.** The group exemption number assigned to USCC is 928 or 0928. ***This number must be included on each Form 990, Form 990-T, and Form 5578 required to be filed by any organization exempt under the Group Ruling.***¹⁴ We recommend *against* using the group exemption number on Form SS-4, Request for Employer Identification Number, because in the past this has resulted in IRS including USCCB as part of the organization's name when it enters the organization in its database.

¹⁴ *IRS has expressed concern about organizations covered under the Group Ruling that fail to include the group exemption number, 0928, on their Form 990 filings, particularly the initial filing.*

Internal Revenue Service
District Director

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: July 1, 2005

Person to Contact:

James Blair
ID # 31-07578

Telephone Number:

877-829-5500

FAX Number:

513-263-3756

Ms. Deirdre Dessingue
Associate General Counsel
United States Conference
of Catholic Bishops
3211 4th Street, N.E.
Washington, D.C. 20017-1194

APR 1 2005
RECEIVED

Dear Ms. Dessingue:

In a ruling dated March 25, 1946, we held that the agencies and instrumentalities and all educational, charitable and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in *The Official Catholic Directory* 1946, are entitled to exemption from federal income tax under the provisions of section 101(6) of the Internal Revenue Code of 1939, which corresponds to section 501(c)(3) of the 1986 Code. This ruling has been updated annually to cover the activities added to or deleted from the Directory.

The Official Catholic Directory for 2005 shows the names and addresses of all agencies and instrumentalities and all educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories and possessions in existence at the time the Directory was published. It is understood that each of these is a non-profit organization, that no part of the net earnings thereof inures to the benefit of any individual, that no substantial part of their activities is for promotion of legislation, and that none are private foundations under section 509(a) of the Code.

Based on all information submitted, we conclude that the agencies and instrumentalities and educational, charitable, and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in *The Official Catholic Directory* for 2005 are exempt from federal income tax under section 501(c)(3) of the Code.

Donors may deduct contributions to the agencies, instrumentalities and institutions referred to above, as provided by section 170 of the Code. Bequests, legacies, devises, transfers or gifts to them or for their use are deductible for federal estate and gift tax purposes under sections 2055, 2106, and 2522 of the Code.

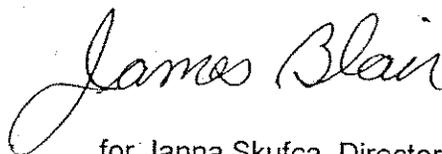
Ms. Deirdre Dessingue

Beginning January 1, 1984, unless specifically excepted, you and your subordinates must pay tax under the Federal Insurance Contributions Act (Social Security taxes) for each employee who is paid \$100 or more in a calendar year. You and your subordinates are not liable for the tax under the Federal Unemployment Tax Act (FUTA).

By May 31, 2006, please send thirteen (13) copies of *The Official Catholic Directory* for 2006 to IRS TE/GE in Cincinnati; one copy to the Processing Campus in Ogden; two copies each to the EO Area Managers in Newark, Brooklyn, Chicago, St. Paul, Atlanta, Los Angeles, the IRS National Headquarters and the Director, EO Examinations, Dallas.

The conditions concerning the retention of your group exemption as set forth in our previous determination letter of August 17, 1983, remain in full force and effect.

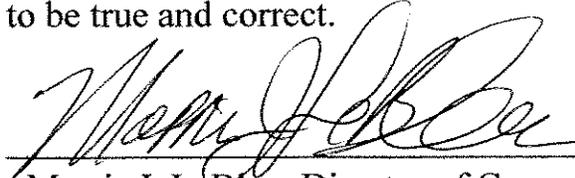
Sincerely,

A handwritten signature in cursive script that reads "James Blair". The signature is written in black ink and is positioned above the typed name and title.

for Janna Skufca, Director, TE/GE
Customer Account Services

Attachment No. 1

I, Morris J. LeBleu, am Director of Communications for the Diocese of Lake Charles in Louisiana, I have reviewed the Petition for Exemption for Closed Captioning Requirements filed on behalf of the Diocese of Lake Charles in this matter, and upon information and belief, believe the statements regarding our organization and Glad Tidings to be true and correct.

A handwritten signature in black ink, appearing to read "Morris J. LeBleu", written over a horizontal line.

Morris J. LeBleu, Director of Communications
Diocese of Lake Charles

January 5, 2006

Date

Attachment No. 2

Glad Tidings Programming Schedule for 2006

Each Sunday in 2006 from 6 a.m. to 7 a.m. (Central Time) on KPLC-TV, Channel 7, Lake Charles, Louisiana.

Only exceptions being NBC network preemption on June 11, 2006 (French Open Tennis Championships Men's Final) and July 9, 2006 (Wimbledon Tennis Championships Men's Final).and September 24, 2006 (2006 Ryder Cup Golf Matches).

Attachment No. 3

Financial documentation

Diocese of Lake Charles
Detail General Ledger
 Period: 7/1/2004 to 6/30/2005

Account Number	Account Description	Transaction Reference	Debits	Credits	Net Change	Balance
Transaction Date	Source Reference	Transaction Reference				
5820-508	TELEVISION					
7/1/2004		Beginning Balance				0.00
7/15/2004	VAP-168	109680/C KIRBY RAYMOND	3,966.75		3,966.75	3,966.75
7/20/2004	VAP-204	K4760-11 CREDIT/KPLC-TV		300.00	3,666.75	3,666.75
7/20/2004	VAP-205	K4760-12/KPLC-TV	2,160.00		5,826.75	5,826.75
7/28/2004	VAP-289	109681/C KIRBY RAYMOND	2,260.12		8,086.87	8,086.87
8/1/2004	VAP-409	81504/C KIRBY RAYMOND	1,773.00		9,859.87	9,859.87
8/12/2004	VAP-471	60067-1/KPLC-TV	1,687.50		11,547.37	11,547.37
8/26/2004	VAP-624	83104/C KIRBY RAYMOND	1,874.25		13,421.62	13,421.62
9/16/2004	VAP-899	PROF FEES/C KIRBY RAYMOND	2,068.87		15,490.49	15,490.49
9/16/2004	VAP-906	60067-2/KPLC-TV	2,937.50		18,427.99	18,427.99
9/29/2004	VAP-1060	92904/C KIRBY RAYMOND	4,062.37		22,490.36	22,490.36
10/7/2004	VAP-1199	60067-3/KPLC-TV	2,500.00		24,990.36	24,990.36
10/19/2004	VAP-1280	101304/C KIRBY RAYMOND	3,566.25		28,556.61	28,556.61
10/27/2004	VAP-1424	102704/C KIRBY RAYMOND	3,228.75		31,785.36	31,785.36
11/4/2004	VAP-1525	60067-4/KPLC-TV	3,125.00		34,910.36	34,910.36
11/18/2004	VAP-1696	111704/C KIRBY RAYMOND	3,764.25		38,674.61	38,674.61
11/30/2004	VAP-1883	113004/C KIRBY RAYMOND	2,107.12		40,781.73	40,781.73
12/7/2004	VAP-1940	60067-5/KPLC-TV	2,500.00		43,281.73	43,281.73
12/16/2004	VAP-2050	TELEVISION/C KIRBY RAYMOND	2,559.37		45,841.10	45,841.10
12/31/2004	VAP-2188	TELEVISION/C KIRBY RAYMOND	2,307.37		48,148.47	48,148.47
1/6/2005	VAP-2267	60067-6/KPLC-TV	2,500.00		50,648.47	50,648.47
1/13/2005	VAP-2359	TELEVISION/C KIRBY RAYMOND	2,180.25		52,828.72	52,828.72
1/21/2005	VAP-2428	552694091004158/HNB				
		COMMERCIAL CARD	510.00		53,338.72	53,338.72
1/27/2005	VAP-2511	012605/C KIRBY RAYMOND	2,720.25		56,058.97	56,058.97
1/31/2005	VAP-2631	60067-7/KPLC-TV	3,125.00		59,183.97	59,183.97
2/17/2005	VAP-2794	021605/C KIRBY RAYMOND	2,918.25		62,102.22	62,102.22
2/23/2005	VAP-2853	022305/C KIRBY RAYMOND	1,184.62		63,286.84	63,286.84
2/28/2005	VAP-2944	60067-8/KPLC-TV	2,500.00		65,786.84	65,786.84
3/18/2005	VAP-3169	03162005/C KIRBY RAYMOND	3,638.25		69,425.09	69,425.09
3/31/2005	VAP-3274	033005/C KIRBY RAYMOND	2,034.00		71,459.09	71,459.09
4/6/2005	VAP-3392	60067-9/KPLC-TV	2,500.00		73,959.09	73,959.09
4/13/2005	VAP-3483	041305/C KIRBY RAYMOND	2,853.00		76,812.09	76,812.09
4/28/2005	VAP-3656	042705/C KIRBY RAYMOND	4,663.12		81,475.21	81,475.21
5/6/2005	VAP-3753	60067-10/KPLC-TV	2,500.00		83,975.21	83,975.21
5/12/2005	VAP-3820	051105/C KIRBY RAYMOND	3,218.62		87,193.83	87,193.83
5/20/2005	VAP-3945	552694091004193/HNB				
		COMMERCIAL CARD	10.82		87,204.65	87,204.65

**Diocese of Lake Charles
Detail General Ledger
Period: 7/1/2004 to 6/30/2005**

Account Number	Account Description	Transaction Date	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
5820-508	TELEVISION	5/31/2005	VAP-4020	052505/C KIRBY RAYMOND	2,476.12		89,680.77	89,680.77
		6/8/2005	VAP-4135	60067-1/K/PLC-TV	3,125.00		92,805.77	92,805.77
		6/16/2005	VAP-4269	061505/C KIRBY RAYMOND	1,815.75		94,621.52	94,621.52
		6/29/2005	VAP-4385	063005/C KIRBY RAYMOND	2,152.12		96,773.64	96,773.64
5820-508 Sub Totals:					\$97,073.64	\$300.00	\$96,773.64	\$96,773.64
Net Loss:					\$0.00	\$96,773.64	\$96,773.64	\$96,773.64
Grand Totals:					\$97,073.64	\$300.00	\$96,773.64	\$96,773.64

**The Society of the Roman Catholic Church
of the Diocese of Lake Charles**

Lake Charles, Louisiana

**Financial Statements and Independent Auditors' Report
Year Ended June 30, 2004**

Patin, Pettaway & Pettaway
(A Professional Accounting Corporation)



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Schedule of Functional Expenses	13

INDEPENDENT AUDITORS' REPORT

The Most Reverend Edward K. Braxton
Bishop of Lake Charles
Lake Charles, Louisiana

We have audited the accompanying statement of financial position of The Society of the Roman Catholic Church of the Diocese of Lake Charles, Inc. (Diocese), as of June 30, 2004, and the related statement of activities and statement of cash flows for the year then ended. These financial statements are the responsibility of the Diocese'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 Diocese's 2003 and 2002 financial statements and, in our reports dated January 23, 2004 and December 12, 2002 respectively, we expressed a qualified opinion on those financial statements as a result of being unable to obtain audited financial statements or other evidence supporting certain amounts and disclosures. Additionally, those financial statements omitted certain post retirement benefit obligations from liabilities in the statement of financial position and the effects of those departures from generally accepted accounting principles were not reasonably determinable.

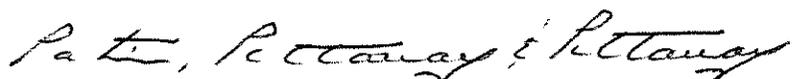
Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 our audit provides a reasonable basis for our opinion.

We were unable to obtain audited financial statements supporting the Diocese's investment in the Louisiana Catholic Worker's Compensation Pool, an unincorporated joint venture carried in the statement of financial position at \$284,699. We were also unable to obtain audited financial statements supporting the disclosure in Note 1 of summarized financial data of related entities; nor were we able to satisfy ourselves as to the carrying value of the investment or the disclosure in Note 1 by other auditing procedures. As more fully described in Note 10 to the financial statements, the Diocese has excluded certain post retirement benefit obligations from liabilities in the accompanying statement of financial position. In our opinion, generally accepted accounting principles require that such obligations be included in the statement of financial position and the effect of this departure on the Diocese's financial position and results of operations is not reasonably determinable.

In our opinion, except for the effects of not reporting certain post retirement benefit obligations as discussed in the preceding paragraph and the effects of such adjustments, if any, that might have been determined to be necessary had we been able to obtain sufficient evidence regarding the disclosure of summarized financial data and the carrying value and earnings of the investment referred to in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese as of June 30, 2004 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses 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 auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

December 3, 2004



THE SOCIETY OF THE ROMAN CATHOLIC CHURCH OF
THE DIOCESE OF LAKE CHARLES

Statement of Financial Position

As of June 30, 2004

(With comparative totals as of June 30, 2003 and 2002)

	2004	2003	2002
Assets:			
Cash and equivalents	\$ 4,255,338	\$ 3,834,931	\$ 3,322,177
Investments and securities (Note 3)	584,119	555,747	657,435
Accounts receivable, net of allowance for doubtful accounts of \$32,837	146,775	41,561	116,706
Grants and contributions receivable in less than one year	511,406	399,919	363,656
Grants and contributions receivable in one to five years	100,000	5,000	40,000
Notes receivable	36,996	50,204	65,691
Cash value of life insurance policies	477,941	437,977	396,277
Prepaid expenses and other assets	321,428	188,286	148,468
Property, equipment, and improvements, net (Note 4)	6,356,925	6,304,645	6,068,874
Investments pledged as collateral (Note 3)	100,000	100,000	100,000
Beneficial interest in perpetual trust (Note 7)	1,584,614	1,587,969	1,481,593
TOTAL ASSETS	\$ 14,475,542	\$ 13,506,239	\$ 12,760,877
Liabilities:			
Accounts payable	\$ 698,945	\$ 362,729	\$ 594,279
Collections and other payables	221,009	208,700	120,205
Reserve for insurance and other claims (Note 9)	160,112	252,147	192,964
Deferred revenue and support	45,775	58,960	37,050
Long-term debt (Note 5)	251,089	274,268	-
Total liabilities	1,376,930	1,156,804	944,498
Net Assets:			
Unrestricted			
Undesignated	6,405,145	6,251,762	5,878,322
Designated for specific purposes (Note 8)	4,226,265	3,716,752	3,461,751
Total unrestricted net assets	10,631,410	9,968,514	9,340,073
Temporarily restricted (Note 7)	882,588	792,952	994,713
Permanently restricted (Note 7)	1,584,614	1,587,969	1,481,593
Total net assets	13,098,612	12,349,435	11,816,379
TOTAL LIABILITIES AND NET ASSETS	\$ 14,475,542	\$ 13,506,239	\$ 12,760,877

See Notes to Financial Statements.

**THE SOCIETY OF THE ROMAN CATHOLIC CHURCH OF
THE DIOCESE OF LAKE CHARLES**

Statement of Activities

Year ended June 30, 2004

(With comparative totals for the year ended June 30, 2003 and 2002)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2004 Totals	2003 Totals	2002 Totals
Support and Revenue:						
Parochial tithe	\$ 1,657,669	\$ -	\$ -	\$ 1,657,669	\$ 1,461,303	\$ 1,509,047
Diocesan assessments	2,968,521	139,153	-	3,107,674	2,788,600	2,646,409
Diocesan appeals	487,629	103,764	-	591,393	588,080	610,345
Contributions and bequests	218,314	72,726	-	291,040	438,332	2,011,011
Grants	0	776,487	-	776,487	581,927	498,474
Investment income (Note 3)	122,239	94,808	(3,355)	213,692	286,844	25,591
Special programs and other revenues	396,657	-	-	396,657	385,993	449,438
Net assets released from Restrictions (Note 6)	1,097,301	(1,097,301)	-	-	-	-
TOTAL SUPPORT AND REVENUE	\$ 6,948,330	\$ 89,637	\$ (3,355)	\$ 7,034,612	\$ 6,531,079	\$ 7,750,315
Expenses: **						
Program expenses						
Clergy life and support	365,348	-	-	365,348	341,240	483,836
Pastoral services and support	1,919,497	-	-	1,919,497	1,828,693	1,750,717
Social services and support	595,035	-	-	595,035	523,517	443,073
Health and casualty insurance costs	2,565,170	-	-	2,565,170	2,579,357	2,500,899
Supporting services						
General administrative services	702,641	-	-	702,641	589,300	542,617
Fund raising	137,743	-	-	137,743	135,916	142,690
TOTAL EXPENSES	\$ 6,285,434	\$ -	\$ -	\$ 6,285,434	\$ 5,998,023	\$ 5,863,832
Increase (decrease) in net assets	\$ 662,896	\$ 89,637	\$ (3,355)	\$ 749,178	\$ 533,056	\$ 1,886,483
<i>Net assets, beginning of year</i>	<i>9,968,514</i>	<i>792,951</i>	<i>1,587,969</i>	<i>12,349,434</i>	<i>11,816,378</i>	<i>9,929,895</i>
Net assets, end of year	\$ 10,631,410	\$ 882,588	\$ 1,584,614	\$ 13,098,612	\$ 12,349,434	\$ 11,816,378

** Details by natural classification appear on page 13.

See Notes to Financial Statements.

THE SOCIETY OF THE ROMAN CATHOLIC CHURCH OF
THE DIOCESE OF LAKE CHARLES

Statement of Cash Flows

Year Ended June 30, 2004

(With comparative totals for the year ended June 30, 2003 and 2002)

	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Increase in net assets	\$ 749,178	\$ 533,056	\$ 1,886,483
Adjustments to reconcile "increase in net assets" to net cash provided by operating activities:			
Non-cash items of (income) or expense included in the "increase in net assets"			
Depreciation and amortization, net	250,186	239,964	237,887
Provision for losses on accounts receivable	3,786	6,736	15,093
Non-cash contributions received	(47,250)	-	(1,532,906)
(Gains) losses from investment securities	(26,619)	13,609	27,213
(Gains) losses on securities held in trust	3,355	(106,376)	51,314
(Gains) losses from unconsolidated joint venture in self-insurance pool	(610)	(57,583)	20,410
(Gains) losses from disposal of property and equipment	-	17,103	1,850
(Gains) in cash surrender values of life insurance policies in excess of premiums	(23,044)	(39,949)	(18,982)
(Increase) decrease in operating assets			
Grants and contributions receivable	(206,487)	(1,263)	(137,781)
Accounts and notes receivable	(109,001)	68,407	(80,443)
Prepaid expenses	(133,142)	(39,818)	(43,583)
Increase (decrease) in operating liabilities			
Accounts payable	336,216	(231,550)	222,898
Collections and other payables	12,309	88,495	(282,252)
Deferred revenue	(13,185)	21,910	(18,718)
Reserves for health and casualty insurance claims	(92,036)	59,184	44,212
Net cash provided by (used in) operating activities	703,656	571,925	392,695
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and maturities of investments	240,167	386,900	104,636
Purchases of investments	(228,103)	(225,748)	(114,861)
Increase in cash surrender values of life insurance policies from premiums	(16,922)	(26,906)	(7,878)
Proceeds from death benefits and surrender of life insurance policies	-	25,156	-
Purchases of property and equipment	(255,212)	(492,841)	(185,110)
Net cash provided by (used in) investing activities	(260,070)	(333,439)	(203,213)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds of long-term debt	-	280,000	-
Repayment of long-term debt	(23,179)	(5,732)	-
Net cash provided by (used in) financing activities	(23,179)	274,268	-
Net increase in cash and equivalents	420,407	512,754	189,482
Cash and equivalents, beginning of year	3,834,931	3,322,177	3,132,695
Cash and equivalents, end of year	\$ 4,255,338	\$ 3,834,931	\$ 3,322,177

The Society of the Roman Catholic Church of The Diocese of Lake Charles

Notes to Financial Statements

1. Organization and Basis of Presentation:

The Society of the Roman Catholic Church of the Diocese of Lake Charles (Diocese) is a not-for-profit corporation organized under the laws of the State of Louisiana in 1980. The Diocese encompasses the civil parishes of Allen, Beauregard, Calcasieu, Cameron and Jefferson Davis, all located in southwest Louisiana, and is a legal entity separate and apart from thirty-eight underlying Catholic parishes, each of which is organized as a not-for-profit corporation under the laws of the State of Louisiana. The Bishop of the Diocese is the president of the diocesan corporation and each parish corporation and significantly influences the operations of all Catholic entities within the geographical area under his authority. Numerous financial transactions occur in the ordinary course of business between the diocesan corporation and each Catholic parish corporation including contributions of financial resources to support the ongoing operations of the Diocese and its programs. These financial statements include only those accounts maintained by and directly under the control of the Diocesan corporation. They do not include any accounts of Catholic parishes, Catholic schools or other related organizations operating within the geographical boundaries of the Diocese.

A summary of financial data of the thirty-eight Catholic parishes as of June 30, 2004 and for the year then ended is presented below.

Total non-fixed assets	\$ 13,741,476
Total fixed assets	91,299,195
Total assets	<u>\$105,040,671</u>
Total liabilities	\$ 3,929,780
Total net assets	101,110,891
Total liabilities and net assets	<u>\$105,040,671</u>
Total revenue	\$ 17,554,769
Total expenses	\$ 17,229,212

2. Summary of Significant Accounting Principles:

Financial Statement Presentation

The financial statements are prepared under guidelines of the Financial Accounting Standards Board contained in its Statement No. 117, *Financial Statements of Not-for Profit Organizations*. Under Statement of Financial Accounting Standard No. 117, the Diocese is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The financial statements also include information from prior years summarized for comparison purposes only. The summarized prior year information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles and, accordingly, should be read in conjunction with the Diocese's financial statements for the years ended June 30, 2003 and 2002 from which such information was derived. Certain prior year amounts have been reclassified to conform to the current year presentation.

**The Society of the Roman Catholic Church of
The Diocese of Lake Charles**

Notes to Financial Statements

2. Summary of Significant Accounting Principles (continued):

Cash and Equivalents

Cash and equivalents include cash in checking accounts, money market accounts, U.S. Treasury Securities purchased with a maturity of three months or less and other interest bearing securities held by financial institutions under repurchase agreements for the benefit of the Diocese. Cash and equivalents are reported in the financial statements at cost, which approximates fair value.

Investments and Securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported in the financial statements at fair value. Investments in self-insurance pools are accounted for using the cost method of accounting where the Diocese does not have the ability to exercise significant influence over the operating and financial policies of the self-insurance pool or the equity method of accounting where contractual rights create the ability to exercise significant influence over the operating and financial policies of the self-insurance pool.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted revenue and support depending on the existence and/or nature of any donor restrictions. Restricted net assets resulting from such contributions are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions imposed by the donors or grantors. The amounts reclassified are reported in the Statement of Activities as, "Net Assets Released from Restrictions." The Diocese receives substantial services donated by individuals in carrying out the Diocese's activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under Statement of Financial Accounting Standard No. 116.

Property and Equipment

Property and equipment acquisitions are capitalized at cost. Donated property and equipment are recorded at the estimated fair market value at the date of gift. Depreciation expense is recognized under the straight-line method over the estimated useful lives of the assets.

Federal and State Income Taxes

The Diocese is exempt from federal and state income tax under section 501(c) (3) of the Internal Revenue Code and Louisiana Revised Statute 47:287.501.

Functional Allocation of Expenses

The costs of providing various programs and activities of the Diocese have been summarized on a functional basis in the statement of activity. Certain indirect costs have been allocated to the functional areas.

**The Society of the Roman Catholic Church of
The Diocese of Lake Charles**

Notes to Financial Statements

2. Summary of Significant Accounting Principles (continued):

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures in the financial statements. Considerable uncertainty and variability are inherent in such estimates and, accordingly, the subsequent development of such assets or liabilities may not conform to the assumptions used in their estimation and therefore may vary from the amounts reported in the financial statements.

3. Investments and Securities:

The following schedule summarizes investments and securities owned by the Diocese as of June 30, 2004.

	<u>Estimated Fair Value</u>	<u>Carrying Value</u>
Certificates of Deposit	\$200,000	\$200,000
Mutual Funds	107,633	107,633
Corporate Stocks	91,787	91,787
Self-Insurance Pools	502,831	284,699
Total Investments	\$902,251	\$684,119

The Diocese has granted to the Louisiana Office of Workers' Compensation a continuing security interest in a \$100,000 certificate of deposit to secure the payment of obligations arising from the Diocese's participation in the Louisiana Catholic Workers' Compensation Pool.

The following schedule summarizes the investment return, including income from invested cash equivalents, and its classification in the statement of activities for the year ended June 30, 2004.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and Dividend Income	\$ 52,176	\$ -0-	\$ -0-	\$ 52,176
Interest Income Credited to Life Insurance Policies	23,044	-0-	-0-	23,044
Perpetual Trust Distributions	-0-	94,808	-0-	94,808
Unrealized Gains on Investments	23,366	-0-	-0-	23,366
Unrealized Losses on Investments	-0-	-0-	3,355	3,355
Realized Gains on Investments	1,308	-0-	-0-	1,308
Realized Losses on Investments	-0-	-0-	-0-	-0-
Income from Joint Ventures in Self-Insurance Pools	22,345	-0-	-0-	22,345
Net investment Income	\$ 122,239	\$ 94,808	\$ 3,355	\$213,692

**The Society of the Roman Catholic Church of
The Diocese of Lake Charles**

Notes to Financial Statements

4. Properties and Equipment:

The composition of property and equipment owned by the Diocese at June 30, 2004, is as follows:

St. Charles Retreat Center	\$5,360,199
Chancery Building	1,091,679
Seaman Center	141,656
Catholic Service Center	47,250
Perry Building	132,993
Diocesan Residence	636,694
Furniture and Equipment	1,238,755
Other Assets	95,006
	<hr/>
	8,744,232
Less Accumulated Depreciation	2,387,307
	<hr/>
Net Property and Equipment	\$6,356,925
	<hr/> <hr/>

5. Long-Term Mortgage Debt:

The Diocese acquired a residence to be used as such as well as a pastoral care center. The acquisition cost was partially funded with proceeds of a promissory note dated March 28, 2003 in the amount of \$280,000. The Diocese is obligated to repay the debt together with simple interest at an annual rate of 4.24% in 59 monthly installments of \$2,876 and one last payment estimated to be \$157,860. As collateral security for repayment of the debt, the Diocese granted to the lender a continuing security interest in any and all of its funds on deposit with the lender from time to time, which totaled \$250,089 at June 30, 2004. The outstanding balance of the debt as of June 30, 2004 is \$251,089.

As additional security, the Diocese executed a collateral mortgage note dated March 28, 2003 in the amount of \$560,000 payable to bearer on demand with interest at an annual rate of 21% until paid. The Diocese pledged the collateral mortgage note to the lender under the promissory note to secure payment of the promissory note as well as any and all future indebtedness to the lender. The collateral mortgage note is secured by a collateral mortgage against the residential property. Debt service requirements for each of the next four years are scheduled below.

June 30, 2005	\$ 24,335
June 30, 2006	\$ 25,387
June 30, 2007	\$ 26,484
June 30, 2008	\$174,883

**The Society of the Roman Catholic Church of
The Diocese of Lake Charles**

Note to Financial Statements

6. Net Assets Released from Restrictions:

Net assets were released from donor-imposed restrictions during the year through expenditures under programs specified by donors and grantors. The following schedule summarizes expenditures on a functional basis, which resulted in the release of assets from such restrictions.

Purpose Restrictions:

Clergy Life and Support:	\$175,323
Pastoral Services and Support	412,174
Social Services and Support	381,812
Property Acquisition and Renovation	127,992
Total	<u><u>\$1,097,301</u></u>

7. Temporarily and Permanently Restricted Assets:

Temporarily and permanently restricted assets are available for the following periods or purposes at June 30, 2004.

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Grants Receivable-Program Funding for 2005	\$379,646	\$ -0-
Grants Receivable-Development Office Funding	150,000	-0-
Cash-Development Office Funding	50,000	-0-
Cash-Needy Parish Funding	33,773	-0-
Cash-Social Services and Support	269,169	-0-
Investments Held in Perpetual Trust-Social Services	-0-	1,584,614
Total	<u><u>\$882,588</u></u>	<u><u>\$1,584,614</u></u>

The fair market value of the underlying securities of a perpetual trust established by an individual donor for the benefit of the Diocese totaled \$1,584,614 at June 30, 2004. Under the terms of the trust, the trustee shall distribute the net income to the Diocese to be used to benefit the poor and needy to include direct assistance for food, clothing, housing, medical and other basic needs or provide academic scholarships for academically deserving financially needy students seeking a baccalaureate degree from a Louisiana public or private accredited college or university who would otherwise not be able to continue their education.

**The Society of the Roman Catholic Church of
The Diocese of Lake Charles**

Notes to Financial Statements

8. Designations of Unrestricted Assets:

Management has designated certain amounts of unrestricted assets in order to provide financial resources for future program costs. Applicable programs and the amounts designated as of June 30, 2004 are as follows:

Operation of St. Charles Retreat Center	\$ 144,589
Scholarships to Local Catholic Schools	248,025
Diocesan Clergy Retirement	682,744
Self-insured Health Care Program	348,364
Seminarian Education Funding	1,032,438
Property and Casualty Insurance Program	1,765,358
Planned Giving Program	<u>4,747</u>
Total	<u><u>\$4,226,265</u></u>

9. Insurance Programs and Significant Estimates:

The Diocese maintains a self-insured hospitalization insurance program for employees of the Diocese as well as all catholic parishes, schools and other related organizations. The program is administered through the Louisiana Health Service and Indemnity Company d/b/a/ Blue Cross Blue Shield of Louisiana under a contract with the Diocese and funded with premiums paid by each participating entity. For claims arising during the policy year ended June 30, 2004, the Diocese is obligated to pay the first \$75,000 in qualified claim costs per participant and \$1,983,371 aggregate claim costs. Blue Cross underwrites the reinsurance policy, which pays excess claim costs on a specific or aggregate basis. Management has established a reserve for estimated incurred but not reported (IBNR) claim costs of \$92,533 with a corresponding charge against net assets.

The Diocese provides all Catholic parishes, schools and other affiliated entities with primary property and liability insurance coverage obtained from the Catholic Mutual Group. The Diocese is responsible for the first \$25,000 of property claim costs per location limited to \$75,000 per occurrence and the first \$25,000 of liability claim costs per occurrence. The Diocese's total risk retention is subject to an aggregate annual limit of \$225,000 of claim costs. Management has established a reserve for estimated claim costs as of June 30, 2004 of \$67,579 with a corresponding charge against net assets.

The Diocese is a participant and owns an equity interest in the Catholic Umbrella Pool II (Pool), a self-insurance pool that provides excess liability insurance coverage for its membership, which consists of various Catholic dioceses throughout the United States. For the period July 1, 1995 through June 30, 2003, the Pool is responsible for 100% of individual casualty claims exceeding \$1,500,000 to a limit of \$5,500,000. For the period beginning July 1, 2003 to the present, the Pool is responsible for 47.4% of individual casualty claims exceeding \$1,500,000 to a limit of \$5,500,000. Also, effective July 1, 2003, the Pool has 5% participation for coverage in excess of \$1,500,000 up to \$5,500,000 for morality certificates and up to \$20,000,000 for liability certificates. Participating Dioceses are liable for any losses beyond the Pool's responsibilities to fund such losses. The Diocese uses the cost method of accounting for its interest in the pool, which is reported as a component of investments and carried in the statement of financial position at \$ 0. The Diocese's equity in CUP II as of June 30, 2004 totaled \$218,132.

**The Society of the Roman Catholic Church of
The Diocese of Lake Charles**

Notes to Financial Statements

9. Insurance Programs and Significant Estimates (continued):

The Diocese is a participant and owns an equity interest in the Louisiana Catholic Workers' Compensation Pool (Pool), an unincorporated joint venture created to provide workers' compensation insurance coverage to its membership, which consists of four Catholic dioceses in Louisiana. For claims arising during the three years beginning January 1, 1996, the Pool is responsible for the first \$225,000 of claim costs per occurrence with an aggregate limit of claim costs of \$2,325,000. For claims arising during the two years beginning January 1, 1999, the Pool is responsible for the first \$225,000 of claim costs per occurrence with an aggregate limit of claim costs of \$2,000,000. For claims arising during the two years beginning January 1, 2001, the Pool is responsible for the first \$225,000 of claim costs per occurrence with an aggregate limit of claim costs of \$2,750,000. For claims arising during the three years beginning January 1, 2003, the Pool is responsible for the first \$275,000 of claim costs per occurrence with an aggregate limit of claim costs of \$2,750,000 through December 31, 2003, and \$2,850,000 thereafter. The Pool maintains excess insurance coverage for claim costs exceeding its specific and aggregate risk retention. The aggregate excess insurance coverage is limited to \$5,000,000.

The Diocese uses the equity method of accounting for its investment in the pool, which is reported as a component of investments and carried in the statement of financial position at \$284,699.

10. Retirement Plans and Post Retirement Benefits:

The Diocese sponsors a defined contribution retirement plan under Internal Revenue Code Section 403(b) that allows tax deferred contributions to segregated accounts through voluntary salary reduction agreements. The Diocese matches employee contributions up to 1.5% of annual compensation for its participating lay employees.

The Diocese maintains a defined contribution pension plan under Internal Revenue Code Section 401(a), which allows employees to make after tax contributions to the plan. The Diocese matches employee contributions up to 1.5% of annual compensation for lay employees and contributes a fixed amount of \$904 to the plan annually for those members of the clergy assigned to the Diocese. Contributions to all defined contribution type plans by the Diocese for the year ended June 30, 2004 totaled \$10,291. Contributions to the plan on behalf of members of the clergy assigned to parishes are funded from the general assets of the parish to which each member is assigned.

The Diocese has a policy of providing specific retirement pension benefits to all retired members of the diocesan clergy, which is similar in substance to a defined benefit plan. Under the policy, the Diocese pays from its general assets a monthly retirement benefit to qualified retirees in an amount that, when added to the monthly pension annuity available under the defined contribution plan, totals \$1,610 per month. Payments to retired clergy under this policy totaled \$176,748 for the year ended June 30, 2004. The Diocese received a grant of \$40,000 and received \$101,776 from proceeds of an annual collection to provide funding for its defined benefit pension obligations. Additionally, the Diocese collected \$64,350 from an assessment of Catholic parishes equal to \$1,800 for each member of the diocesan clergy assigned to such parish. The proceeds are invested in non-trust accounts to provide additional funding for the Diocese's defined benefit pension obligations. Pension expense for the year ended June 30, 2004 totaled \$187,039.

**The Society of the Roman Catholic Church of
The Diocese of Lake Charles**

Notes to Financial Statements

10. Retirement Plans and Post Retirement Benefits: (continued)

The Diocese also has a policy of providing post retirement health care benefits to all retired members of the diocesan clergy

Under generally accepted accounting principles, a defined benefit pension plan and the provision of post retirement health care costs are deferred compensation arrangements, the cost of which should be recognized over the period of service rendered by an eligible employee.

Statement of Financial Accounting Standard (SFAS) No. 87 and No. 88 and subsequent standards supplementing the guidance there under requires the recognition, as of the balance sheet date, of a liability for the benefit obligations in an amount representing the actuarial present value of the pension and post retirement health care benefits attributed to employee service rendered prior to the date of the statement of financial position. The net periodic pension and post retirement health care expense consists of several components including a service cost, which is the actuarial present value of benefits attributed to employee service during the reporting period, an interest cost, which is the increase in the benefit obligations as a result of the passage of time, and certain gains and losses related to the value of plan assets and changing assumptions used in estimating benefit obligations.

These financial statements do not include a liability for the accumulated benefit obligations attributable to past services rendered by diocesan clergy and the periodic pension and post retirement health care expense are recognized as benefit payments are made.

11. Related Party Transactions:

The Diocese is a participant and has an equity interest in the Louisiana Catholic Workers' Compensation Pool as more fully described in Note 8. The Diocese made payments to the Pool during the year totaling \$140,434 for workers' compensation insurance coverage for all employees of the Diocese, as well as, Catholic parishes, schools and other affiliated entities that pay premiums to the Diocese under the self-insured program.

12. Concentration of Credit Risk:

The Diocese maintains its cash in bank deposit accounts in amounts that exceed federally insured limits. The amount of bank deposits in excess of FDIC coverage totaled \$856,935 at June 30, 2004. Additionally, U. S. Treasury securities, securities of the Federal National Mortgage Association (FNMA) or similar securities with a fair market value of \$367,489 acquired by the Diocese under repurchase agreements are held by the financial institution defined as the seller under the repurchase agreements. The repurchase agreements are used to facilitate nightly sweep service out of non-interest bearing direct deposit accounts. The Diocese does not require collateral or specific segregation of the securities held on its behalf from other securities held by the financial institution. Other financial instruments owned by the Diocese that result in significant concentrations of credit risk include investment securities and money market funds held in brokerage accounts, grants receivable in the amount of \$350,000 and \$180,000 from two national Catholic organizations, and life insurance contracts with cash surrender values totaling \$436,164 held by a single insurance company.

**The Society of the Roman Catholic Church
of the Diocese of Lake Charles**

**Supplemental Information
Year Ended June 30, 2004**

**THE SOCIETY OF THE ROMAN CATHOLIC CHURCH OF
THE DIOCESE OF LAKE CHARLES**

Schedule of Functional Expenses

Year Ended June 30, 2004

(With comparative totals for the year ended June 30, 2003 and 2002)

	CLERGY LIFE & SUPPORT	PASTORAL SERVICES & SUPPORT	SOCIAL SERVICES & SUPPORT	HEALTH & CASUALTY INSURANCE	GENERAL ADMINISTRATION	FUND RAISING	2004 TOTALS	2003 TOTALS	2002 TOTALS
Assessments	\$ -	\$ 16,113	\$ -	\$ -	\$ 57,665	\$ -	\$ 73,778	\$ 40,116	\$ 56,109
Accounting, auditing & consulting	-	-	-	-	45,350	-	45,350	35,370	40,670
Auto & residence allowances	5,703	21,600	10,800	-	10,800	-	48,903	44,443	45,363
Books, periodicals & publications	102	26,655	423	-	4,172	1,393	32,745	29,397	28,549
Charitable donations & gifts	305	-	97,023	-	-	-	97,328	120,329	84,292
Clergy welfare assistance	34,440	-	-	-	-	-	34,440	76,501	42,217
Contracted services	2,184	40,737	82	155,098	71,082	-	269,183	259,111	219,928
Dues & memberships	563	6,122	693	-	3,104	1,406	11,888	11,825	10,553
Hospitalization claims	-	-	-	1,263,390	-	-	1,263,390	1,308,347	1,328,214
Hospitalization insurance	-	-	-	251,201	-	-	251,201	216,181	169,634
Interest expense	19,765	-	-	-	-	-	19,765	-	-
Life insurance	-	-	-	-	-	11,914	11,914	15,311	10,909
Newspaper	-	82,034	-	-	-	-	82,034	81,863	80,356
Occupancy costs (A)	5,734	68,463	12,425	-	30,611	3,712	120,945	118,713	107,397
Office supplies & expenses	-	40,779	7,695	241	24,450	10,044	83,209	53,985	54,449
Other expenses	-	3,070	-	-	-	17,154	20,224	32,928	26,129
Payroll & other taxes	1,187	29,761	6,625	-	24,208	4,822	66,603	66,564	59,893
Postage & shipping	826	20,144	717	442	15,467	4,227	41,823	32,808	31,873
Property & casualty claim costs	-	-	-	40,459	-	-	40,459	197,553	181,793
Property & casualty insurance	2,064	37,479	4,327	853,513	6,989	231	904,603	755,718	740,452
Provision for bad debts	-	-	-	-	3,786	-	3,786	6,736	15,093
Public relations	10,246	22,191	2,919	-	4,625	4,514	44,495	40,765	45,993
Repairs & maintenance	16,384	64,469	13,960	-	10,396	1,399	106,608	69,564	70,661
Residence & retreat center supplies	26,905	80,476	-	-	-	-	107,381	86,467	82,772
Retirement expense	178,572	3,872	446	-	3,210	939	187,039	158,579	128,218
Salaries	15,511	464,237	97,119	-	251,628	63,033	891,528	933,360	917,874
Seminars, retreats & conferences	4,802	147,590	4,492	-	22,433	2,430	181,747	152,311	200,641
Subsidies & grants	7,200	392,875	255,044	-	28,193	-	683,312	483,817	483,236
Telephone expense	6,386	10,829	32,971	-	6,709	921	57,816	71,178	50,953
Television & radio	-	108,915	-	-	-	-	108,915	91,000	99,755
Travel & transportation	1,821	18,391	7,131	826	30,360	1,109	59,638	59,865	63,254
Tuitions & seminarian costs	-	83,198	-	-	-	-	83,198	107,354	148,758
	340,700	1,790,000	554,892	2,565,170	655,238	129,248	6,035,248	5,758,059	5,625,987
Depreciation expense	24,648	129,497	40,143	-	47,403	8,495	250,186	239,964	237,845
Combined Totals	\$ 365,348	\$ 1,919,497	\$ 595,035	\$ 2,565,170	\$ 702,641	\$ 137,743	\$ 6,285,434	\$ 5,998,023	\$ 5,863,832

(A) Allocated indirect costs to functional categories

Attachment No. 4

Other:

Estimates from professional companies for closed captioning of *Glad Tidings*.

Caberdeen Captioning

committed to the WORD

Aberdeen Captioning is a full-service captioning company. Our goal is to establish an ongoing, long-term, working relationship with you. We are dedicated to providing you with exceptional service and 100 percent satisfaction guarantee.

Give us a call!

WHY CAPTION?

Other than having to comply with the FCC mandate that requires the following number of broadcast hours to be captioned per day: 10 hours as of 1/1/02, 15 hours as of 1/1/04 and 20 hours as of 1/1/06, captioning is the only way the deaf are able to become a more complete part of the entertainment industry. The National Association of the Deaf reports that more than 28 million Americans have a hearing loss. Captioning your program can potentially increase your audience by **10 percent**.

Captioning a program reaches beyond the deaf and hearing-impaired. Over 30 million people are learning English as a second language, 27 million adults are improving their literacy skills and 10 million elementary school children are learning to read. Captioning helps them all improve their language skills.

Don't miss this giant opportunity to reach over 93 million Americans!!!

POST-PRODUCTION

Post-production captioning is the process of transcribing a program's dialogue and placing it into a new master tape in the form of open captions, closed captions or subtitles.

Closed Captions (roll-up or pop-on) [CC]

A decoding device is required to open these captions for viewing. Captions are recorded on line 21 of the tape and are made visible by using a decoder. All televisions, 13 inches or larger, built after 1993 are required to have a built-in decoder.

Open Captions (roll-up or pop-on)

Open captions look identical to closed captions but no decoding device is required to view these captions. The captions are "burned" into the video tape allowing captions to be visible whenever the video is played.

Subtitles

Subtitled differs from open or closed captioning by the way that it is presented on the screen. It appears in upper and lower case letters and can appear in various colors and fonts. It is also "burned" into the video and visible at all times.

Webcasts and Video CDs

A caption file is created from an encoded video. The caption file is synchronized with the video and played on Windows Media Player, Quick Time or Real Player.

DVDs

A single DVD disk can contain subtitles in up to 32 different languages. Subtitles can be produced in every language, using any Windows TrueType font. A DVD disk can also contain closed captions in up to six languages: English, Spanish, French, Portuguese, German and Dutch.

REAL-TIME (LIVE) PROCESS

Real-time captioning is the process of transcribing a program's dialogue, with an accuracy rate of at least 98 percent, and making the text immediately viewable. This is used for live presentations and live television broadcasts...

- * Newscasts
- * Corporate Meetings
- * Public Events
- * Sporting Events
- * Conventions
- * Church Services

POST-PRODUCTION PROCESS

What do I need to do?

- * Sent master tape along with a blank tape
- * Provide correct spelling of all proper names and technical words within the program

What will I receive?

- * You will receive 2 tapes: your original master and a copy of the master with captions encoded
- * A transcript in a text file e-mailed to you
- * 100 percent satisfaction guarantee!

REAL-TIME (LIVE) PROCESS

- * Provide correct spelling of all proper names and technical words within the program
- * For local events, provide a space and video feed for our onsite captionist
- * For on-air broadcasts, you will need an onsite encoder and 2 phone lines: one for our captionist to dial into the encoder and one for our captionist to listen to the audio

PRICING

The below pricing is a general guideline. A specific quote will be given with your complete project details.

Roll-up Captions

\$5 - \$13/video minute - \$200 minimum

Pop-on Captions or Subtitles

\$7 - \$16/video minute - \$200 minimum

Webcasts, DVD, Video CD, Foreign Language

Call for pricing

PRICE INCLUDES:

- * Verbatim transcription of your video
- * Already have a verbatim transcript? Deduct \$2/min
- * VHS approval copy (upon request)
- * Normal turnaround of 5-10 business days
- * Transcript in a text file e-mailed to you
- * Volume discounts available

Live Captioning

Long-term contracts \$115 - \$135 / hr.
Single event \$250 / first hr.
\$200 / additional hr.


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[CLIENTS](#) | [PRODUCTS & SERVICES](#)
[NEWS & EVENTS](#)

Our Solution

Caption Colorado was founded in 1991. It began with one local Denver station (KCNC-TV) for which it provided free real-time captioning service for one year for the benefit of the deaf and hard-of-hearing community in Colorado. Caption Colorado secured its first paying customer (WRC-TV in Washington, DC) one year later. It was at that time that Caption Colorado led the real-time captioning industry to a radically new low rate of \$120 per hour. In the early 90's the closed captioning industry was a substantially subsidized industry with rates ranging from \$400 to \$1,000 per hour for real-time captioning. As a result of its competitive rate, Caption Colorado was able to secure a large portion of the growth in the industry over the next nine years and is now America's largest provider of real-time closed captioning services by a wide margin.



"...utilizes unique technology coupled with talents of skilled captioners."

"Real-time" vs. Newsroom Captioning

Caption Colorado offers "real-time" closed captioning that utilizes unique technologies coupled with the talents of highly skilled captioners who use stenographic court reporting machines to transcribe the audio on-the-fly, as the words are spoken by the broadcasters. real-time captioning is not limited to pre-scripted materials and, therefore, covers 100% of the news, weather and sports segments of a typical local news broadcast. It will cover such things as the weather and sports segments which are typically not pre-scripted, last second breaking news or changes to the scripts, ad lib conversations of the broadcasters, emergency or other live remote broadcasts by reporters in-the-field. By failing to cover items such as these, newsroom style captioning (or use of the TelePrompTer for captioning) typically results in coverage of less than 30% of a local news broadcast.

[company information](#) | [executive staff](#) | [captioning history](#) | [quality assurance program](#) | [FAQs](#)

[Home](#) | [About Us](#) | [Clients](#) | [Products & Services](#) | [News & Events](#) | [Contact Us](#)

©2002 Caption Colorado

Subtitling and Translation Service in Over 40 Languages and Dialects

Producing quality subtitles for videotape and DVD releases requires an expert blend of transcription, translation, timing and editing skills supported by state-of-the-art technology and superior project management. NCI and its London partner, the European Captioning Institute (ECI), provide a single source for all of your subtitling and translation needs, using native speakers to translate over 40 languages and associated dialects.



Well, of course you're going to take her side.

"Judging Amy" ©2002 Twentieth Century Fox Television. All rights reserved.

Subtitles usually appear in the bottom center of the screen with no black background.

Described Video

NCI Described Video provides access for people who are blind or have low vision, an estimated American audience of over 14 million. Through a detailed process that provides concise yet vivid descriptions of a program's visual elements, NCI Described Video mirrors the commitment of NCI's captioning service to accessibility, along with its reputation for quality, capacity and timely delivery.

NCI can provide a two-in-one service by describing and captioning programming at the same time.

Internet Captioning

NCI Internet Streaming provides the ability to deliver captioning text from live or prerecorded events for use on Webcasts. With NCI's Internet Streaming, the audio from a live event or teleconference can be converted into a text stream by an NCI real-time captioner and delivered for display on a Web site using a streaming media player such as Real Player, Microsoft Media Player or QuickTime. Captioning text from prerecorded programming can also be delivered for Webcasts.

NCI Makes it Easy, Economical and Efficient

With competitive rates and a large professional staff, NCI provides fast turnarounds to meet your schedule and the highest quality services available anywhere in the world. Getting started is as easy as contacting an NCI marketing representative, returning a reply card or completing an on-line form available at www.ncicap.org/request_quote.asp.

NCI

Your One-Stop Answer

Closed Captioning

Subtitling and Translation

Described Video

Internet Captioning

Q.NCI
The Global Captioning Leader®

National Captioning Institute

1900 Gallows Road • Suite 3000 • Vienna, VA 22182

Toll-Free 800-374-3986

Vienna, VA 703-917-7600

New York, NY 212-557-7011

Burbank, CA 818-238-0068

Email: mail@ncicap.org • Web site: www.ncicap.org

NATIONAL
CAPTIONING
INSTITUTE
INCORPORATED

Easy • Economical • Efficient

Federal regulations mandate that closed captioning be phased in for almost all television programming. The regulations also require that government agencies make their video and multimedia productions accessible to people with disabilities. Complying with the regulations provides accessibility for over 40 million Americans who are deaf, hard of hearing, blind or have low vision and ensures the broadest possible audience for your productions.

NCI Offers Superior Service and Reliability

At the National Captioning Institute (NCI), we know you live in a world of tight deadlines, limited production budgets and high expectations for quality and service. NCI is the one-stop answer for all of your captioning, subtitling, translation, described video and Internet captioning needs. With unparalleled experience and expertise, and a reputation for the highest-quality services available, NCI makes it simple.

Building on over 20 years of experience, NCI continues to earn the confidence of domestic and international clients including CBS, NBC, Fox, Turner Entertainment Networks, MGM, Warner Bros. and many government agencies. During the past two decades, NCI has developed a highly skilled and responsive work force supported by state-of-the-art facilities to make sure that all work is done right the first time and delivered on time.

Superior service, one-stop shopping, competitive pricing, fast turnarounds and unmatched reliability are just a phone call away.

*NCI's expert staff is available
24/7/365 to meet your
needs, and your deadlines.*

NCI Offers a Complete Array of Services

Pre-recorded Captioning: Pop-on and Roll-up Styles

English, Spanish and French

From pre-recorded television programming to home video releases to corporate and government videos, thousands of hours of pre-recorded programming are expertly captioned by NCI each year. With captions, you can make your programs accessible to the one out of ten Americans who are deaf or hard of hearing and millions of others who might not be able to hear the sound due to a noisy environment.

"Judging Amy" ©2002 Twentieth Century Fox Television. All rights reserved.



"Judging Amy" ©2002 Twentieth Century Fox Television. All rights reserved.

Pop-on captions (top photo) are synchronized with the audio and placed to help identify the speaker. Timed roll-up captions (bottom photo) scroll up and off the screen in a continuous motion.

Real-time Captioning

English and Spanish

With the world's most sophisticated real-time captioning facilities and the most highly trained captioning professionals, NCI captions over 50,000 hours of live programming every year for television networks, corporations and government agencies. NCI offers a choice of services to match needs and budgets along with responsive technical support.

*NCI's real-timers create captions
at speeds of over 225 words per
minute while averaging over
99% accuracy.*

Videoconference Captioning

NCI designed a special real-time captioning service to meet the unique needs of corporate and government videoconferences. NCI's real-timers work from a video feed, when available, or from an established telephone audio line to provide live captioning during the entire scheduled conference.

Contact Us Today

Toll-Free:	800-374-3986
Vienna, VA:	703-917-7600
Burbank, CA:	818-238-0068
New York, NY:	212-557-7011
Email:	mail@ncicap.org
Web site:	www.ncicap.org

How To Order Captioning, Subtitling and Description From NCI

Schedule your program(s) by

- * Contacting an NCI marketing representative
- * Completing the reply card or on-line form at www.ncicap.org to request a quote
- * Or calling (800) 374-3986

Pre-recorded Captioning and Subtitling

Send us your master and/or an identical work tape of the program with time code matched to the master. (See **Work Tape Specifications**) NCI can accommodate NTSC or PAL tapes on most tape formats. If you are arranging your own encoding, NCI does not need to receive your master tape.

Include an accurate script, if available. NCI accepts script information on diskette or email.

If your job is for DVD, provide the name of your authoring system. NCI's files are compatible with Daikin Scenarist, Toshiba, Panasonic, Spruce, Minerva-Compression and Sonic Systems.

NCI's deliverable is a caption or subtitle file (.cap or .stl). The file must be merged with the master tape to create a new captioned or subtitled master. For captioning, the process is called encoding. NCI can handle your encoding or you may choose to have your postproduction house do the encoding.

Real-Time Captioning for Live Programs

Provide program(s) date, time and length, including run-over possibilities.

Provide a technical contact name with phone number, encoder phone number and back-up audio phone number.

Identify technical information on transmission path (satellite or fiber optics). If the live event is not being transmitted via satellite or fiber optic sources, a dedicated audio feed must be established.

An encoder is needed to insert the captions onto Line 21 of the TV signal. NCI rents encoders to clients with one-time live captioning needs.

Description for Blind and Low Vision People

Send your work tape of the program with time code matched to the master to NCI's Production Department. Work tapes must be broadcast audio quality for description services. See **Work Tape Specifications**.

NCI will deliver a mixed tape for layback to your master. NCI also delivers a CD which can be used if your program is edited.

NCI Work Tape Specifications

1. Betacam SP (Betasp):

- * First generation time code must match time code on master tape. Dubbed time codes must be regenerated or reshaped.

- * Time code, if on Channel 2, must be at OVU level 0.

- * Vertical Interval Time Code (VITC) or Longitudinal Time Code (LTC) is accepted. LTC can be either Channel 2 or Address Track.

- * Visible time code, in addition to VITC or LTC, is preferred. Use upper third of screen if program contains on-screen graphics.

- * Time code should begin uninterrupted at least 10 seconds before start of slate and continue at least 10 seconds after program end.

- * Stereo audio is accepted when using VITC or LTC Address Track time codes.

2. DigiBeta:

- * Vertical Interval Time Code (VITC) must match time code on master tape.

- * Visible time code in addition to VITC is preferred. Use upper third of screen if program has on-screen graphics.

- * Time code should begin uninterrupted at least 10 seconds before start of program and continue uninterrupted at least 10 seconds beyond program end.

- * Audio must be recorded on Channels 1 and 2 only. Stereo audio is accepted.

3. SVHS or VHS:

- * SVHS or VHS format (Extended Play recordings can not be accepted).

- * Time code must be first generation and match time code on master tape. Dubbed time codes must be regenerated or reshaped.

- * Visible time code in addition to VITC or Channel 2 LTC is preferred. Use upper third of screen if program has on-screen graphics.

- * Time code should begin uninterrupted at least 10 seconds before start of program and continue uninterrupted at least 10 seconds beyond program end.

- * We accept Vertical Interval Time Code (VITC) or Longitudinal Time Code (LTC). If LTC, SMPTE time code must be first-generation recorded on Channel 2 or Hi-Fi. Channel 2 recordings must be at negative 7 db.

- * Composite program audio must be on Channel 1.

4. 3/4" Umatic:

- * First generation SMPTE time code must match master tape time codes. Time codes should be on Channel 2.

- * Time code, if on Channel 2, must be at OVU level of 0.

- * Visible time code in addition to Channel 2 time code is preferred. Use upper third of screen if program has on-screen graphics.

- * Time code should begin uninterrupted at least 10 seconds before start of program and continue uninterrupted at least 10 seconds beyond program end.

- * Stereo audio is accepted when using VITC or LTC Address Track time code.

- * Vertical Interval Time Code (VITC) or Longitudinal Time Code (LTC) is accepted. LTC can be either Channel 2 or Address Track.

- * Visible time code in addition to VITC or LTC is preferred. Use upper third of screen if program has on-screen graphics.

Need Additional Assistance?

If you require additional work tape assistance for captioning or video description, please contact the NCI office closest to you for additional information. Our professional staff is available 24/7/365 to answer any of your work tape specification questions.

CLOSED CAPTION MAKER

(Formerly of Portsmouth, NH)

822 Guilford Avenue #148 • Baltimore, MD 21202
E-mail: WCallant@CCmaker.com • Web Site: www.CCmaker.com
1-800-527-0551

You produce the video,
we add the closed-captions ...

FCC Requires 100% captioning starting 1/1/06.

We sell an entry level line-21 closed-captioning system.

See details below, system is called ADDrollupCC.

Not going to make the Jan 1st deadline for adding closed-captioning?

We'll do it for you, half-hour program is \$200 (includes transcribing, tape shipping)

We can do it for this low price because we are using ADDrollupCC and doesn't take very long to do it.

Here's the math: It will cost us \$30 to get it typed, it will take two hours of production time to put the script and video together using ADDrollupCC, and \$15 for FedEx to get it back to you.

Turnaround will be about three days.

(Note: Due to the volumed work, we most likely can not meet our normal 3 day turnaround 1223)

SERVICES

Professional closed-captioning services.

Cost is \$10 per videotminute plus \$50, includes encoding, videotape, and 2nd day FedEx.

Client will be sent an open-captioned VHS proof copy at no charge.

Client sends us a professionally produced "master video" on BetasP, DV/DVcam, or DV/CPRO25 and we create a closed-captioned professional master on BetasP or DVcam.

Example: A ten minute video using "pop-on captions" would cost \$150.

Add \$2/minute if verbal script is not supplied.

Subtract \$4/minute if roll-up captions are used instead of pop-on captions.

TV Spots are \$100 per spot (:10 to :60); plus \$50 for tapestock and shipping.

Script must be supplied on disk or emailed. Turnaround is two business days.

Music Videos (up to 5 minutes) are \$175, includes BetasP/DVcam videotape and shipping. Script must be supplied on disk. Additional BetasP/DVcam copy is \$35 (includes tape).

TECHNICAL DETAILS FOR PROFESSIONAL CAPTIONING

We normally use "Pop-on" type closed-captions; the captions "pop-on" the screen in groups of words and are positioned so that they do not cover-up material being discussed.

Our encoder (hardware which adds the captions) uses component video in/out.

DV formats, we can accept DV, DVcam, DVCPRO25 and master to DVcam. (all are small or large cassettes). Please call concerning details.

New Lower Price: As noted above, "roll-up captions" are \$4/minute less; reason is that "roll-up captions" require less production time. For an example of using "roll-up captions" watch "The History Channel," they use this format for most of their