



gospel music channel

AT A GLANCE

TATUM AUDIT SUPPORT

GMC lacked internal resources and staff to prepare for a quick-turnaround external audit. Tatum worked with client's financial staff and external auditor to meet private equity group's aggressive two-month deadline.

GMC needed assistance with multi-state license filings. Tatum filed licenses bringing GMC up-to-date and created template to make future filings easier and more efficient.

GMC could not fully pursue income tax credit opportunities with available resources and staff. Tatum provided the paperwork for tax credits available under Georgia's 2008 entertainment industry law.

Rapidly growing Gospel Music Channel™ experiences obstacles with audit preparation.

Brief Overview

It took no time for the Gospel Music Channel™ (GMC) to find its voice. Launched in 2004, the music television network already reaches 45 million subscribers making it the fastest-growing network in television.

Called "VH1 for the Christian market," GMC attracts viewers with a round-the-clock lineup of gospel music videos, exclusive concerts, original series, interview shows and classic TV programming. It even launched Gospel Dream, its own American Idol®-style talent search.

But GMC, its founders say, is not just another music channel. The family-friendly network sets out to inspire, uplift and entertain—lofty goals that resonate with GMC's passionate fans. "The fan base of Gospel music is diverse in geography, ethnicity and stage of life," says GMC President Charley Humbard. "GMC brings this diverse audience together for the first time."

Georgia-based GMC and its broad fan base received great reception from another influential audience. Blue-chip advertisers such as Wal-Mart, Procter & Gamble, Kraft Foods and Hallmark tuned in. With its roots in country, pop, rock, hip hop and soul, Gospel music delivers a desirable demographic crossing cultures and generations.

Situation

Until recently, GMC prepared for financial audits on its own. As the company grew exponentially, so did the requisite paperwork for the annual financial undertaking. The laborious task simply became too taxing for the company's in-house staff.

"We had plowed through audit prep before," says Rick Bell, GMC's Vice President of Finance and Administration. "But the finance department couldn't afford to stop all business and focus on audit preparation." The accounting firm conducting GMC's 2008 tax year audit concurred.

"The 2007 audit took almost the entire year to complete," Bell recalls. "I didn't want to live that way. It's like looking in the rear view mirror and looking ahead at the same time." GMC's auditors recommended enlisting accounting help from Tatum a name Bell knew by reputation. He made the call.

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– Rick Bell, Vice President of Finance and Administration, Gospel Music Channel

Why Tatum

The auditors' recommendations led GMC to Tatum. But Bell had his own due diligence in mind. For starters, he wanted a partner who would align with the GMC company culture. "Whenever I hire any type of employee, attitude is of utmost importance," Bell says. "We value an open, dynamic atmosphere where we work together to get things done."

Bell also wanted a consultant with a deep audit background, strong accounting skills and an energized approach to work. And of course, he needed someone who could work under deadline pressure.

Tatum was able to exceed Bell's expectations. "Our consultant had all of these traits and more," Bell says. "She got up to speed very quickly, rolled up her sleeves and got down to work."

Daily conference calls put the pressure on. And when the auditors hit an administrative bump about a month into the project, everyone had to put in some long hours. But

attitudes remained upbeat. "Our Tatum consultant was grace under pressure," Bell recalls. "Always in work mode, she was ready for my call no matter what or when."


Results

With Tatum's help, GMC was able to prepare all the necessary work papers for the external audit in a timely manner. Together, the team was able to meet the tight turnaround time.

Bell attributes much of the success to clear and frequent communication, another hallmark of GMC culture and a specialty of Tatum. By keeping close tabs on the needs of the external audit staff, Tatum was able to keep the GMC staff on track, too. "Tatum set clear expectations every day," Bell says. "We all knew what was expected of us."

A two-month project doesn't leave much downtime but Tatum's consultant managed to work in a little wiggle room. Looking to add value beyond audit support, she took on a few extra assignments. In addition to creating a little more bandwidth for

month-end close, she brought GMC's multi-state licenses up-to-date and created a template to make future filings easier and more efficient for the staff.

Tatum pursued additional tax credits made available through the Georgia Entertainment Industry Investment Act in 2008. Without the dedicated help, GMC may not have found the available time or staff to explore the incentive program. Instead, GMC earned \$400,000 in tax credits and now has a system for filing similar credits in the coming years. 

"Looking back, I view our Tatum audit preparation as a major accomplishment. I wouldn't change a thing."

- Rick Bell, Vice President of Finance and Administration, Gospel Music Channel

About Tatum

Companies turn to Tatum when critical business challenges arise because we immediately deliver C-level financial and technology operational expertise via solutions tailored to the Office of the CFO. We understand the urgency of NOW and our VELOCI-T solutions were designed to help business leaders accelerate results to *create more value™*.