

**RHODE ISLAND PUBLIC RADIO**

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**Financial Statements**

**June 30, 2012**



**Mullen Scorpio Cerilli**

**Certified Public Accountants  
Business Consultants**

# Mullen Scorpio Cerilli

## RHODE ISLAND PUBLIC RADIO

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June 30, 2012

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October 18, 2012

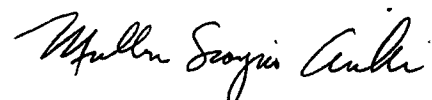
The Board of Directors of  
Rhode Island Public Radio

## Independent Auditor's Report

We have audited the accompanying statement of financial position of Rhode Island Public Radio (a Rhode Island nonprofit organization) as of June 30, 2012 and the related statements of revenues, expenses and other changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Rhode Island Public Radio'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 Rhode Island Public Radio's June 30, 2011 financial statements and, in our reported dated October 26, 2011, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rhode Island Public Radio as of June 30, 2012, 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.



**RHODE ISLAND PUBLIC RADIO**

**Statement of Financial Position**

**June 30, 2012**

**(With Comparative Totals for June 30, 2011)**

	2012	2011
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 852,003	\$ 479,850
Pledges receivable, current (Note 3)	16,750	31,750
Accounts receivable	34,522	63,729
Prepaid expenses	50,232	26,887
Total current assets	953,507	602,216
Property and equipment, net (Note 4)	496,109	593,233
<b>Other assets:</b>		
Licenses, net (Note 5)	2,056,832	2,437,977
Security deposit	3,390	3,390
Pledges receivable, long term (Note 3)	21,500	23,500
Total other assets	2,081,722	2,464,867
<b>Total assets</b>	<b>\$ 3,531,338</b>	<b>\$ 3,660,316</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 78,365	\$ 78,087
Accrued expenses	105,348	69,026
Trade accounts payable	-	8,286
Current portion of capital lease (Note 6)	4,637	10,448
Current portion of note payable (Note 7)	-	75,000
Total current liabilities	188,350	240,847
Capital lease, net of current portion (Note 6)	-	4,637
Note payable, net of current portion (Note 7)	1,570,012	1,570,012
Other payable	23,779	-
<b>Total liabilities</b>	<b>1,782,141</b>	<b>1,815,496</b>
<b>Net assets:</b>		
<b>Unrestricted:</b>		
Unrestricted	1,172,723	1,615,410
Board designated	102,984	-
Total unrestricted	1,275,707	1,615,410
Temporarily restricted (Note 9)	473,490	229,410
<b>Total net assets</b>	<b>1,749,197</b>	<b>1,844,820</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,531,338</b>	<b>\$ 3,660,316</b>

The notes are an integral part of these financial statements.

**RHODE ISLAND PUBLIC RADIO**

**Statement of Revenues, Expenses and Other Changes in Net Assets**

**For the Year Ended June 30, 2012**

**(With Comparative Totals for the Year Ended June 30, 2011)**

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
Operating revenue:				
Grants	\$ 256,239	\$ 426,800	\$ 683,039	\$ 361,680
Contributions	1,208,386	-	1,208,386	1,108,604
Corporate underwriting	654,887	-	654,887	747,653
Interest income	621	-	621	3,846
Other	57,233	100,000	157,233	69,395
Net assets released from restrictions:				
Satisfaction of program restrictions (Note 10)	236,320	(236,320)	-	-
<b>Total operating revenue</b>	<b>2,413,686</b>	<b>290,480</b>	<b>2,704,166</b>	<b>2,291,178</b>
Operating expenses:				
Program services	1,708,252	-	1,708,252	1,748,387
Management and general	612,800	-	612,800	597,702
Fundraising	512,207	-	512,207	578,938
<b>Total operating expenses</b>	<b>2,833,259</b>	<b>-</b>	<b>2,833,259</b>	<b>2,925,027</b>
<b>Changes in net assets from operations</b>	<b>(419,573)</b>	<b>290,480</b>	<b>(129,093)</b>	<b>(633,849)</b>
Other changes:				
Nonoperating capital campaign:				
Contributions		33,470	33,470	81,645
Interest		-	-	-
Release from restrictions (Note 11)	79,870	(79,870)	-	-
Expenses		-	-	(6,494)
<b>Total other changes</b>	<b>79,870</b>	<b>(46,400)</b>	<b>33,470</b>	<b>75,151</b>
<b>Changes in net assets</b>	<b>(339,703)</b>	<b>244,080</b>	<b>(95,623)</b>	<b>(558,698)</b>
<b>Net assets, beginning of year</b>	<b>1,615,410</b>	<b>229,410</b>	<b>1,844,820</b>	<b>2,403,518</b>
<b>Net assets, end of year</b>	<b>\$1,275,707</b>	<b>\$ 473,490</b>	<b>\$1,749,197</b>	<b>\$1,844,820</b>

The notes are an integral part of these financial statements.

**RHODE ISLAND PUBLIC RADIO**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2012**  
**(With Comparative Totals for the Year Ended June 30, 2011)**

	2012					2011	
	Program Services	Supporting Services			Total Operating Expenses	Capital Campaign	Total
		Management and General	Fundraising	-			
Salaries	\$ 536,721	\$ 279,710	\$ 221,666	\$ 1,038,097	\$ -	\$ 1,038,097	\$ 1,170,495
Payroll taxes	50,380	15,568	19,850	85,798	-	85,798	99,756
Employee benefits	56,248	60,664	32,577	149,489	-	149,489	169,875
Occupancy	47,006	77,016	-	124,022	-	124,022	122,011
Utilities	32,288	-	-	32,288	-	32,288	28,496
Real estate taxes	12,872	-	-	12,872	-	12,872	9,316
Insurance	19,609	5,603	2,801	28,013	-	28,013	20,857
Equipment and site maintenance	133,103	-	-	133,103	-	133,103	32,066
Postage	-	6,909	6,110	13,019	-	13,019	14,912
Printing	-	-	30,725	30,725	-	30,725	25,331
Graphics and website design	2,848	633	2,848	6,329	-	6,329	12,222
Supplies	2,753	6,293	-	9,046	-	9,046	15,248
Travel, staff and meeting expenses	10,896	17,468	11,223	39,587	-	39,587	48,578
Telecommunications	65,354	7,429	3,902	76,685	-	76,685	66,149
Accounting fees	-	10,000	-	10,000	-	10,000	11,000
Legal fees	20,200	11,046	-	31,246	-	31,246	28,209
Other professional fees	131,268	10,385	98,604	240,257	-	240,257	169,113
Advertising and marketing	71,988	-	6,833	78,821	-	78,821	188,241
License, fees and dues	83,509	-	-	83,509	-	83,509	105,166
Payroll service fees	7,685	2,049	512	10,246	-	10,246	5,618
Special event expenses	-	-	52,603	52,603	-	52,603	44,727
Interest expense	45,101	-	-	45,101	-	45,101	33,710
Bank and credit card fees	-	1,287	21,953	23,240	-	23,240	22,876
Taxes - other	447	448	-	895	-	895	894
Miscellaneous	-	-	-	-	-	-	5,500
<b>Total expenses before depreciation and amortization</b>	<b>1,330,276</b>	<b>512,508</b>	<b>512,207</b>	<b>2,354,991</b>	<b>-</b>	<b>2,354,991</b>	<b>2,450,366</b>
<b>Depreciation and amortization</b>	<b>377,976</b>	<b>100,292</b>	<b>-</b>	<b>478,268</b>	<b>-</b>	<b>478,268</b>	<b>481,155</b>
<b>Total expenses</b>	<b>\$ 1,708,252</b>	<b>\$ 612,800</b>	<b>\$ 512,207</b>	<b>\$ 2,833,259</b>	<b>\$ -</b>	<b>\$ 2,833,259</b>	<b>\$ 2,931,521</b>

The notes are an integral part of these financial statements.

**RHODE ISLAND PUBLIC RADIO**

**Statement of Cash Flows**

**For the Year Ended June 30, 2012**

**(With Comparative Totals for the Year Ended June 30, 2011)**

	2012	2011
Net cash flows from operating activities:		
Changes in net assets	\$ (95,623)	\$ (558,698)
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	478,268	481,155
Changes in assets and liabilities:		
Pledges receivable	17,000	80,506
Accounts receivable	29,207	12,329
Prepaid expenses	(23,345)	(4,017)
Accounts and trade payable and accrued expenses	28,315	(18,923)
Advance funds received	-	(30,000)
Other payable	23,779	-
	457,601	(37,648)
Net cash provided (used) by operating activities		
Net cash flows from investing activities:		
Purchase of fixed assets	-	-
Licensing costs	-	-
Net cash (used) in investing activities	-	-
Net cash flows from financing activities:		
Payments made on capital lease	(10,448)	(9,552)
Payment made on note payable	(75,000)	(386,000)
Net cash provided by (used in) financing activities	(85,448)	(395,552)
Net increase (decrease) in cash and cash equivalents	372,153	(433,200)
Cash and cash equivalents, beginning of year	479,850	913,050
Cash and cash equivalents, end of year	\$ 852,003	\$ 479,850
Interest paid	\$ 9,978	\$ 7,739

The notes are an integral part of these financial statements.

# **RHODE ISLAND PUBLIC RADIO**

## **Notes to Financial Statements**

**June 30, 2012**

### **Note 1 - Nature of Activities**

Rhode Island Public Radio (the "Corporation") is organized as a nonprofit corporation under the laws of the State of Rhode Island. It is licensed by the Federal Communications Commission to operate an FM radio station (WRNI-FM) in southern Rhode Island, which broadcasts at 102.7 MHZ from Narragansett, Rhode Island. Revenue is received through contributions, grants and underwriting.

In January 2009, the Corporation purchased WRNI-AM from the Trustees of Boston University, which broadcasts at 1290 KHZ from North Providence, Rhode Island. Station 1290 KHZ is leased to Latino Public Radio beginning October 2011.

Beginning October 2011, Rhode Island Public Radio began leasing WELH FM 88.1 from the Wheeler School for broadcasting.

### **Note 2 - Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The accompanying financial statements of the Corporation have been prepared on the accrual basis. Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

#### **Basis of Presentation**

The Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Descriptions of the three net asset categories are as follows:

- Unrestricted net assets include revenues and expenses and contributions pledged which are not subject to any donor-imposed restrictions.
- Temporarily restricted net assets include gifts and promises to give for which time restrictions or donor-imposed restrictions have not yet been met. When the restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Revenues, Expenses and Other Changes in Net Assets as net assets released from restrictions.
- Permanently restricted net assets include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof be made available for program operations in accordance with donor restrictions. As of June 30, 2012 and 2011, the Corporation has no permanently restricted net assets.

*Note 2 continued on the next page.*



## **Note 2 - Summary of Significant Accounting Policies**

### **Estimates and Assumptions**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results may differ from those estimates.

### **Cash and Cash Equivalents**

For purposes of reporting cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

### **Accounts and Pledges Receivable**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The Corporation does not recognize conditional promises to give as revenue until the condition is met.

The Corporation uses the direct write-off method for accounts and pledges receivable that may be uncollectible. Under this method, an allowance for doubtful accounts is not maintained, but receivables are written off when they become uncollectible.

Generally accepted accounting principles require an allowance for doubtful accounts receivable whenever it can be reasonably estimated and is a material amount. The effect of using the direct write-off method instead of the reserve method is not material to these financial statements.

### **Property and Equipment**

Rhode Island Public Radio capitalizes property and equipment that costs \$2,000 or more and has a useful life of one or more years. This property and equipment is recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Depreciation is computed on a straight-line basis over the estimated useful lives of the property and equipment.

	<u>Years</u>
Broadcast and transmission equipment	5
Furniture and office equipment	3
Computer equipment and software	2-5

The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the period of disposal.

Renewals and improvements, which extend the useful lives of assets, are capitalized at cost. Maintenance and repairs are included as expenses in the statement of revenues, expenses and other changes in net assets.

*Note 2 continued on the next page.*

## **Note 2 - Summary of Significant Accounting Policies**

### **Other Assets - Licensing Rights**

The cost of licensing rights acquired is being amortized on the straight-line basis over ten years. Amortization expense charged to operations amounted to \$381,144 and \$381,144 for the years ended June 30, 2012 and 2011, respectively.

### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues, expenses and other changes in net assets as net assets released from restrictions.

### **Donated Goods and Services**

Rhode Island Public Radio receives a significant amount of donated services from board members and other volunteers who assist in fundraising and special events. These services have not been recognized in the statement of activities since such services either do not require specialized skills or would not typically be purchased if not provided by donation.

### **Underwriting Trade**

Underwriting that is traded for goods or services are reflected as corporate underwriting revenue at their estimated value on date of receipt. The Corporation recognizes an expense at the time the goods or services are provided. The difference between the amount earned and incurred is reflected as a trade receivable or payable.

### **Functional Allocation of Expenses**

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

### **Income Taxes**

Rhode Island Public Radio is exempt from income taxes as a charitable organization under Section 501(c)(3) under the Internal Revenue Code and is not considered a private foundation.

The Corporation evaluates its uncertain tax positions using the guidance for contingencies as contained in generally accepted accounting principles. The Organization was not aware of any uncertain tax positions that were not provided for in the accompanying financial statements.

### Note 3 - Pledges Receivable

In 2007, the Corporation began a capital campaign to fund the purchase of WRNI-FM, support the expansion of news and programming and transitional operations, fund additional broadcast equipment, and help fund part of the purchase price of WRNI-AM.

Contributions receivable for unconditional promises to give are recorded at full value. These pledges have not been adjusted to the present value of their estimated future cash flows because it was considered immaterial. Management will continue to monitor the collection of these promises to give and make any necessary write-offs when it is determined that any amounts are uncollectible.

Pledges receivable at June 30, 2012 and 2011 consist of the following:

	<u>2012</u>	<u>2011</u>
Due in year ended June 30,		
2012	\$ -	\$ 31,750
2013	16,750	1,500
2014	<u>21,500</u>	<u>22,000</u>
Total pledges receivable	<u>\$ 38,250</u>	<u>\$ 55,250</u>

### Note 4 - Property and Equipment

Property and equipment for the years ended June 30, 2012 and 2011 are summarized as follows:

	<u>2012</u>	<u>2011</u>
Land – Douglas Avenue, North Providence	\$ 113,871	\$ 113,871
Building – Douglas Avenue, North Providence	117,000	117,000
Furniture, fixtures and equipment	22,901	22,901
Broadcast and transmission equipment	524,570	524,570
Computer software and equipment	<u>63,302</u>	<u>63,302</u>
Total property and equipment	841,644	841,644
Accumulated depreciation	<u>(345,535)</u>	<u>(248,411)</u>
Net property and equipment	<u>\$ 496,109</u>	<u>\$ 593,233</u>

## Note 5 - Licenses

On January 15, 2009, WRNI-AM was purchased from the Trustees of Boston University for \$2 million. This purchase price was allocated to broadcast station equipment, land and building (Note 4) and license and is amortized on a straight-line basis for ten years. This purchase was financed through a promissory note to the Trustees of Boston University (Note 7).

WRNI-FM (formerly known as WAKX-FM) was purchased on May 15, 2007 at a total acquisition cost of approximately \$2.7 million, funded in part through a note from the Rhode Island Foundation totaling \$2.4 million (Note 7) and through contributions from the Capital Campaign (Notes 3 and 8) amounting to approximately \$269,000. The entire purchase price was allocated to license and is amortized on a straight-line basis for ten years.

The licenses for the years ended June 30, 2012 and 2011 are summarized as follows:

	<u>2012</u>	<u>2011</u>
Cost – FCC License – 102.7 FM	\$ 2,654,620	\$ 2,654,620
Cost – FCC License – 1290 AM	1,156,817	1,156,817
Accumulated amortization	<u>(1,754,605)</u>	<u>(1,373,460)</u>
Licenses, net	<u>\$ 2,056,832</u>	<u>\$ 2,437,977</u>

## Note 6 - Capital Leases

Capital lease assets of \$45,301 have been included in property and equipment on the statement of financial position at June 30, 2012 and 2011, respectively. Related accumulated depreciation of \$40,771 and \$34,065 as of June 30, 2012 and 2011 has been included within the total shown for accumulated depreciation in Note 4.

The Corporation's obligations under the agreements at June 30, 2012 and 2011 are summarized as follows:

	<u>2012</u>	<u>2011</u>
Fiscal year ended June 30,		
2012	\$ -	\$ 11,382
2013	4,742	4,742
Total amount due	<u>4,742</u>	<u>16,124</u>
Interest included therein	<u>(105)</u>	<u>(1,039)</u>
Principal amount due	4,637	15,085
Less current portion	<u>(4,637)</u>	<u>(10,448)</u>
Long-term obligations under capital leases	<u>\$ -</u>	<u>\$ 4,637</u>

**Note 7 - Notes Payable**

	<u>2012</u>	<u>2011</u>
Note payable to The Rhode Island Foundation with interest at .86% for 2012 and 2011. The note is payable on May 16, 2022. Interest is payable quarterly. The note payable is secured by all the Corporation's business assets, including any FCC licenses. In March 2012, the Rhode Island Foundation subordinated their interest in 102.7 FM to the institution holding the line of credit.	\$ 326,012	\$ 326,012
Note payable to Trustees of Boston University with interest starting to accrue on January 15, 2011, at the average prime rate and is payable along with each principal payment. The note is payable beginning January 15, 2011 with installment, due 2012, 2014, 2016, 2017 and is payable in full on January 15, 2019.	<u>1,244,000</u>	<u>1,319,000</u>
Total notes payable	1,570,012	1,645,012
Current portion	<u>-</u>	<u>(75,000)</u>
Long term portion	<u>\$ 1,570,012</u>	<u>\$ 1,570,012</u>

Scheduled minimum debt payments over the next five years are as follows:

Year ended June 30,	<u>2012</u>	<u>2011</u>
2012	\$ -	\$ 75,000
2013	-	-
2014	311,000	311,000
2015	-	-
2016	311,000	311,000
2017	311,000	311,000
Thereafter	<u>637,012</u>	<u>637,012</u>
Total	<u>\$1,570,012</u>	<u>\$ 1,645,012</u>

**Note 8 - Line of Credit**

On March 21, 2012, the Corporation obtained a line of credit for \$250,000 with an interest rate of the lender's base rate plus 1.5% per annum with a floor rate of 5.5% computed on the average daily debit balance. The line is collectively secured by a continuing security interest in all tangible and intangible personal property of the debtor relating only to radio station 102.7 FM.

The balance on the line at June 30, 2012 was \$0.

## Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2012 and 2011 consist of the following:

	<u>2012</u>	<u>2011</u>
Capital campaign	\$ 123,490	\$ 169,891
Development consultant	-	40,000
News reporting	190,000	19,519
Signal expansion	<u>160,000</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 473,490</u>	<u>\$ 229,410</u>

## Note 10 - Net Assets Released from Restrictions - Operating

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or any occurrence of events specified by the donors. For the years ended June 30, 2012 and 2011, expenses released from restrictions were incurred for program expenses for news reporters and development consulting.

## Note 11 - Net Assets Released from Restrictions from Nonoperating Capital Campaign

In 2007, the Corporation began a \$4 million Capital Campaign to principally support the purchase of WRNI 1290 AM from Boston University and pay off debt related to the acquisition of 102.7 FM in southern Rhode Island and certain expenses. A summary of the funds released from restrictions is as follows:

	<u>2012</u>	<u>2011</u>
Nonoperating:		
Capital campaign expenses	\$ -	\$ 2,694
Debt repayment	75,000	386,000
Operating expense	-	271,000
Interest	<u>4,870</u>	<u>12,836</u>
Total released from restrictions	<u>\$ 79,870</u>	<u>\$ 672,530</u>

## Note 12 - Operating Leases

### *Broadcast Tower*

Rhode Island Public Radio leases the broadcast tower for WRNI-FM. Lease expenses totaled \$35,380 and \$33,648 for the years ended June 30, 2012 and 2011, respectively. Future minimum lease payments under these leases are as follows:

*Note 12 continued on the next page.*

## Note 12 - Operating Leases

Year ended June 30,	2012	2011
2012	\$ -	\$ 35,496
2013	36,916	36,916
2014	38,373	38,373
2015	19,572	19,572
Total	<u>\$ 94,861</u>	<u>\$ 133,051</u>

### *Offices and Studio Space*

The Corporation leases its office and studio space. The rent expense for the years ended June 30, 2012 and 2011 was \$70,622 and \$70,289, respectively. The lease expires on May 31, 2015. Future minimum lease payments are as follows:

Year ended June 30,	
2013	\$ 72,034
2014	73,474
2015	74,944
	<u>\$ 220,452</u>

### *Signal Expansion*

The Corporation has a lease with the Wheeler School to lease 88.1 FM and broadcast on that station. The expense for the year ended June 30, 2012 was \$54,839. In addition, a general contribution of approximately \$3,000 will be made to the school based on increased membership and underwriting revenues per the lease agreement.

Future minimum lease payments are as follows:

Year ended June 30,	
2013	\$ 75,000
2014	75,000
2015	75,000
2015	75,000
2016	75,000
Thereafter	<u>320,161</u>
Total	<u>\$ 695,161</u>

**Note 13 - Retirement Savings Plan**

Effective July 1, 2007, the Corporation adopted a 401(k) plan for its employees. Under the plan, employees become eligible to participate upon the later of attaining the age of 21 or completing 3 months of service. The Corporation will match 50% of employees' contribution up to the first 5% of gross salaries, upon meeting eligibility requirements.

For the years ended June 30, 2012 and 2011, expenses incurred under the plan amounted to \$13,088 and \$16,159, respectively.

**Note 14 - Concentration of Credit Risk**

The Corporation maintains its cash balances at a bank in Rhode Island and Massachusetts. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation. At June 30, 2012 and 2011 the Corporation's uninsured cash balances totaled approximately \$307,374 and \$38,811.

**Note 15 - Related Parties**

A development consultant, who is related to a Board member, was contracted to provide services to the Organization. Consulting fees earned were \$40,000 for the year ended June 30, 2012 and the payable is \$0 at June 30, 2012.

**Note 16 - Relationship to WBUR Group**

For the years ended June 30, 2012 and 2011, WBUR Group, a division of Boston University, provided certain programs and services to Rhode Island Public Radio. Those programs and services include, but are not limited to: National Public Radio (NPR) program broadcasts, simulcast on WRNI-FM, WELH-FM and WCVY-FM, underwriting traffic services, and certain computer and telecommunications support. The values of these programs and services have not been recorded on the Statement of Revenue, Expense and Other Changes in Net Assets at June 30, 2012 and 2011.

Since the purchase of WRNI-AM in January 2009, WBUR continues to provide certain programs and services to the Corporation for five years, under the Support Services Agreement, for an annual fee of \$55,000.

**Note 17 - Subsequent Events**

Management has evaluated all subsequent events through October 18, 2012, the date the financial statements were available to be issued.