

Additional legislation that addresses healthcare access includes a proposal (S448) that would require employers with more than 25 employees to offer a Section 125 cafeteria plan where the individual could opt to pay into their plan with pre-tax dollars. Another bill proposes that families living at 400 percent above the federal poverty level would be required to show proof of health insurance. That's about \$70,000 for a family of four.

"So many of these people are uninsured," said Koller. "And we feel that

making it possible for them to have some insurance is better than none."

With employer-based insurance eroding steadily, Koller feels a long-term solution will need to include public funding.

Another key to the solution is public education. People need to be aware of what the drivers of healthcare are and how they impact costs. Koller welcomes and encourages businesses to be part of these public policy decisions to make important and informed choices for the state's future healthcare system.

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What Counts

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Member Programs/Community Education Remain Priority

by Mary Bernard, CPA

Events

PawSox Night and Networking Receptions Coming Soon

Government Affairs

Q&A with Congressman Kennedy; Mobility Update

One-on-One with John Ruggieri

CFO of Gilbane

Professional News

New Members Added to RISCPA Board

Academics

Scholarships Awarded; Finance Program Piques Interest of Students

RI Takes Steps to Address Uninsured; Keeps Watch on MA Rollout to Learn Lessons

Most people who have health insurance might take a quick glance at their benefit statements. For most Rhode Islanders, health insurance is a given; part of a work compensation package.

But what if your employer doesn't provide coverage, or you're not eligible and can't afford or choose not to have health insurance? It's the path of many and can make a simple trip to the Emergency Room a financial strain. A serious illness can render that person in fiscal distress, with repercussions to their future credit rating if unresolved.

You might think you know who the uninsured are, but maybe not. While recent reports show that the Rhode Island healthcare system ranks high and its rate of uninsured is below the national average, in the past six years, the percentage has crept up from six percent to nearly 13 percent. The increase in uninsured correlates with the decline in the number of people covered in employer-sponsored health insurance plans. According to Rhode Island Health Insurance Commissioner Christopher Koller, the number fell from 77.7 percent in 2000 to 67.6 percent in 2005, due to changes in eligibility policies by employers, most of whom have more than 50 workers.

"Unfortunately, this decline was timed during rising employment rates," said Koller, "We don't expect to see a reversal of this trend in the near future."

The average unemployed person is a male, under the age of 40, who works for wages. About 78 percent have an income of under 300 percent of the federal poverty level (about \$30,000 for an individual). But since this level doesn't qualify them for the state's Medicaid program, Rite Care, there's a need to close the gap with an affordable solution.

With neighboring Massachusetts in the midst of implementing its *Healthcare Reform Plan*, which mandates participation of both employers and individuals, it begs the question: Does Rhode Island need a similar system and what steps are we taking to get there?

"We're watching Massachusetts closely," said Koller.



It's Not Your Father's VMA: New Life Graces an Old Favorite

The Avenue of the Arts might be a short stroll, but there's a lot happening there and it's an exciting time for the Veteran Memorial Auditorium (VMA) Arts and Cultural Center. With the Avenue of the Arts complete, the adjacent Renaissance Providence Hotel open, and the first phases of a major renovation project a success, they're gearing up for a public capital campaign to reinvigorate their role in the Rhode Island arts community and economy.

In 1927, construction on the Masonic Complex began, coming to a halt during the Depression in 1929. Decades later, construction of the VMA next door started and opened in 1950 to honor those who served in the Armed Forces. As Rhode Island's first performing arts center, the VMA theater stage was graced with exciting and classical performers such as Luciano Pavarotti, the Moscow Philharmonic, and the Doors, for the next three

Member Programs and Community Outreach Remain Top Priority

My first month in office has been a whirlwind of activity. The official start of my term was the Annual Meeting in April. It was encouraging to see the new CPAs joining the profession as well as the CPA exam award winners and scholarship recipients. Leslie Murphy, past chair of the AICPA, addressed the meeting to discuss the state of the accounting profession. Her passion and connection with young CPAs was evident in her presentation.

My focus this upcoming year, as was Leslie's focus as past chair, involves college students and young accounting professionals. The accounting industry has experienced an increased demand for services with a decreased supply of professionals. Regulatory agencies continue to impose increasingly complex compliance requirements, which fuels the demand for accounting professionals. Fortunately, the AICPA's statistics show that accounting is the fastest growing business major in colleges today. Due to the demographics of today's CPAs in practice, a large Baby Boomer contingency will soon be retiring, which will have a profound effect on the industry.

The RISCOPA is attempting to influence career decisions in students by attending Career Days

and College Fairs. We have organized Campus Gatherings around the state to explain career options to accounting students, as well as facilitate entry into the profession through internships.


During the year, I expect to continue the ongoing efforts to attract students to the profession. The RISCOPA will provide an environment for young professionals to grow professionally and personally. We have designed a Leadership Program to assist young accountants with speaking, networking and communication skills necessary for success in the business environment. We have organized social activities for young accountants to network with other professionals in a relaxed social setting. We hope to keep them involved with the Society and the profession through participation in committee activities.

The Financial Literacy Program will continue to be a major focus of the Society. The program designed by the AICPA addresses financial issues at each phase of life, beginning with birth and ending with retirement and estate issues. While attending the AICPA Spring Council Meeting in Washington, D.C., the leadership of the Society had the opportunity to meet with Rhode Island senators and congressmen to offer the Society as a resource for financial literacy programs in the community. The professionals at the RISCOPA are a valuable resource to the community to discuss

financial issues involving every phase of life. We recently provided financial guidance to the military and their families prior to deployment. We anticipate increased involvement with the dissemination of financial literacy information in more areas of the community.

I am looking forward to working with our new executive director, Bob Mancini, and our energetic and dedicated board and committee members in the upcoming year. We have engaged a new public relations firm, Cote and D'Ambrosio, to further enhance the visibility of the Society and to increase value to our membership. I encourage all members to become involved in making the RISCOPA a great organization by participating in the activities offered.

Sincerely,



Mary F. Bernard, CPA
RISCOPA president



Mary F. Bernard, CPA
RISCOPA President

Officers of the Rhode Island Society of Certified Public Accountants

Mary F. Bernard, CPA, president
mbernard@kahnlitwin.com

Peter L. Chatellier, CPA, president-elect
pchatellier@yourcpafirm.com

Jacquelyn H. Tracy, CPA, vice president
jtracy@mt-cpas.com

Arthur Lambi, Jr., secretary
arthurlambicpa@aol.com

Martha Conn Hultzman, treasurer
mhultzman@lgcd.com

Robert A. Mancini, executive director
rmancini@riscpa.org

Kristin L. Moretti, CPE director
kmoretti@riscpa.org

Denise Jacobson, Member Services
djacobson@riscpa.org

U p c o m i n g E v e n t s

AUGUST 30, 2007

PawSox Night at McCoy Stadium. The barbecue and game event is for young CPAs, bankers and attorneys (35 & under).

SEPTEMBER 27, 2007

Networking Reception at Raphael Bar-Risto for CPAs, bankers and attorneys from 5:30 to 7:30 p.m.

OCTOBER 18, 2007

Networking at Dave and Busters for young CPAs, bankers and attorneys (35 & under).

CORRECTION:

In the spring issue of *What Counts*, it was reported that Greg Porcaro presented at the military financial literacy event. Greg Barishian was the actual presenter.

Government Affairs

Q&A with U.S. Congressman Patrick Kennedy

This month, the RISCPA had the opportunity to ask U.S. Congressman Patrick Kennedy about his views on some pressing issues that affect Rhode Island's business environment.

Regarding health care coverage and costs, especially for small businesses, what changes would you propose?

I understand that small businesses are often the hardest hit with the rapidly rising cost of health insurance premiums. In my meetings with small business owners, I am in awe of the sacrifices they have made in order to continue to offer affordable health coverage for their employees. Unfortunately, the skyrocketing cost of health care during the past few years has forced many small businesses to end their health coverage plans entirely. I believe all small business owners and employees should have access to affordable and quality health care

coverage without fear that only healthy employees will benefit, leaving chronically ill and elderly workers behind. I support the Small Employers Health Benefits Program (SEHBP) Act, which is modeled after the federal employees' health program. This proposal would allow businesses with fewer than 100 employees to band together and increase their purchasing power when acquiring health insurance for their employees. Additionally, I am supportive of the implementation of health information technology to help reduce medical errors and duplicative testing, which are some of the factors that lead to the high cost of health care. By bringing more efficiency to the system through the use of technology, we can ensure that individuals receive quality care as well as more value for their health care dollar. I am also working in the Congress to increase access to preventative care, such as screenings for colon cancer and breast cancer.

Diagnosing a disease or illness early not only saves lives, but it reduces the cost of treatment.

Other than health insurance costs, what issues do you think are most important to address for small businesses today?

Our small businesses confront a variety of challenges today; chief among them is access to capital to fuel their growth. Capital is the fuel that drives the engine of job growth in our nation, our nation's small businesses. To help

provide that access to capital, I have strongly supported the Small Business Innovation Research program

(SBIR) and the Small Business Administration's 7(a) Loan Guaranty program. The SBIR program is a key means of access to capital for small R&D companies, and has generated an amazing amount of innovations. I would like to see more funding within this program devoted to small businesses. The 7(a) Loan Guaranty program is the largest source of small-business financing in our country and as a member of the Appropriations Subcommittee that funds the S.B.A., I have fought to include robust funding for the 7(a) loan program each year. I also realize that our small businesses have a difficult time navigating the maze of federal regulations and paperwork requirements. I support regulatory reform that would help ease this burden, require agencies to closely examine the effect proposed regulations would have on small businesses, and increased federal resources dedicated to assisting small businesses with regulatory compliance.

Do you think that the Sarbanes-Oxley legislation has accomplished its intended goals and are any changes to the initial legislation needed?

Sarbanes-Oxley was important legislation and has largely accomplished its intended purpose of increasing confidence in the accuracy of corporate accounting and financial practices. However, as with any new government program, it will be important for us to take a close look at the implementation and effects of Sarbanes-Oxley, particularly as they relate to small business, to ensure that we are not placing an unnecessary burden on many of our small business owners.



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One-on-One with John Ruggieri

Gilbane is a household name in Rhode Island and from a quick look over the city, the construction business seems to be booming. We caught up with CFO John Ruggieri to see how he manages the day to day and longterm financial challenges of the company.

What Counts: Describe the Gilbane Building Company and the markets in which you specialize.

John Ruggieri: Gilbane was a pioneer of construction management during World War II and in the decades that followed. Today we are one of the country's leading construction managers spread across many markets including higher education, K-12 schools, health care, life sciences and data centers.

WC: What is the scope of your services?

JR: Gilbane operates in the U.S. and Puerto Rico offering a full slate of construction management services. Our construction management capabilities add tremendous value during the design

phase and throughout construction. We also offer risk management insurance services, transition planning and management (also known as move management), electronic information turnover packages and infrastructure management services. These additional services can bring tremendous efficiencies to our clients and save them time and money.

WC: The company has been involved in so many highly visible projects downtown; can you talk a little about some of the key projects?

JR: We have been fortunate to have many opportunities over the years to work on some of the most prominent buildings in Providence. Most recently we completed the new GTECH headquarters and have been building the Waterplace condominiums. I think the entire city has enjoyed watching the tower cranes bring these facilities to life and reshape the city skyline. We're also busy with a major expansion for Fidelity Investments on their campus in Smithfield.



John T. Ruggieri, Senior Vice President and CFO of Gilbane

project solutions from financing, development, construction and much more when our two companies combine forces. The synergy we can deliver is powerful for our clients. On the construction side, the quality that sets our company apart is our ability to build unusually complex projects. We love a challenge. High containment biological laboratories and data centers are some of the most complex structures being built today. We have strong expertise in both.

WC: What are the major differences between operating the building divisions and development?

JR: The nature of these two businesses is somewhat different. Gilbane Development is the owner. They buy, build, finance and hold property. Gilbane Building is focused on construction management, which extends beyond simply building to overall customer solutions for our clients. Gilbane Development Company serves public, private and non-profit sectors by developing and implementing strategic real estate programs to meet our clients' facility needs. So both companies are focused on providing solutions for their respective clients.


WC: How are jobs structured at Gilbane?


JR: We have 27 offices in nine geographic regions spread across the country. The vast majority of our employees are on construction sites where the buildings are going up. We have support teams like estimating, purchasing, scheduling, accounting and other functions in our offices, as well as our

WC: What sets Gilbane apart from other construction management companies?

JR: A combination of the Gilbane Building Company's heritage, people, core values and a commitment to excellence as well as the ability to work with our sister company, Gilbane Development, when appropriate opportunities allow us to leverage both aspects of Gilbane to deliver competitive advantage and outstanding value to our clients. The Gilbane team can deliver total

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corporate functions such as finance, HR, legal and technology and risk management in Providence.

WC: What is your role in the company? What are the major challenges today?

JR: My responsibilities include: finance, tax, treasury, risk-management, technology and an active involvement in the creation and execution of our strategic plan. We're in the midst of an overheated, high growth period for the construction industry resulting in a severe human resource shortage for all companies. Another challenge we face is working with owners to overcome escalating materials costs for everything from steel to concrete.

WC: How does Gilbane's finance department operate?

JR: Gilbane operates with a centralized corporate finance department which oversees all regional finance activity throughout the country. Each regional office has a controller who reports to our corporate controller in Providence. Our regions, however, operate as autonomous business units

with their own P & L responsibilities. So we benefit from having local flavor combined with national know-how.

WC: What are the unique aspects of the job that make it different from other areas that you've considered working in?

JR: Gilbane is a very large family owned company with a unique attitude toward serving our clients. The benefit to being a privately owned company is that we're not managing to quarterly earnings forecasts but can plan and manage for long term sustained profitable growth. We're focused on long-term partnerships with our clients. We spend a lot of time measuring client satisfaction and working hard to improve. Many of our most important financial decisions are based upon investing in our future.

WC: What are the financial challenges for a privately owned, construction/management company?

JR: The largest challenges are optimizing the use

of our capital base and maintaining a successful relationship with our surety company.

WC: What is your professional background?

JR: I entered the public accounting profession after graduating from college and then moved on to A.T. Cross Company where I spent a significant amount of my career in treasury and finance roles. After leaving Cross, I joined Emissive Energy Corporation and now I'm pleased to be here at Gilbane. Relying on my core finance skills and related experience and then expanding into more and more activities has allowed me to contribute to forming strategic decisions and helping Gilbane to be successful.

WC: What are your interests and hobbies?

JR: My interests include running, reading and keeping up with my twin daughters' athletic schedules. I am involved with the Office of Youth Ministry of the Diocese of Providence. I am also a RIPEC Trustee and a member of the Rhode Island Commodores.

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Professional News

Welcome RISCPA New Board Members

The RISCPA would like to welcome and introduce its newest board members for 2007. New members will serve a one-year term from May 1, 2007 to April 30, 2008. As an organization that thrives on the dedication of its members, we'd like to thank the following individuals for their participation.

Lorraine Horton

President and owner of L. Horton & Associates, Lorraine Horton, CPA, CFE, has 25 years of experience in public accounting, fraud investigations, and accounting systems consulting.

Horton began her professional career as an auditor at Arthur Young & Co. (now Ernst & Young) in 1981. Prior to founding L. Horton & Associates in 1991, she was chief financial officer for a real estate development firm and then returned to public accounting with a local firm.

Horton earned an A.A.S. from the University of Delaware, and a B.S. and M.B.A. from the

University of Rhode Island.

Today, Horton is a member of the American Institute of Certified Public Accountants and the Association of Certified Fraud Examiners, active in the Rhode Island chapters of both organizations.

She served as an adjunct professor of accounting computer systems, internal control and fraud prevention at the University of Rhode Island from 1995-2001, and the graduate school of Johnson and Wales University in 2005.

Scott B. Wragg

Scott B. Wragg, CPA, is a shareholder in the Tax Group and a member of the board of directors at Tofias Accountants and Consultants, formerly TFS.

A Bryant University graduate, Wragg earned a B.S. and later an M.S.T. He has more than 20 years of experience in planning, supervising and coordinating comprehensive tax services for privately-held businesses and publicly-traded multinational companies.

Before joining Tofias in 2005, Wragg worked in the Boston office of Ernst & Young with many of the largest companies in New England, specializing in the technology, manufacturing, professional services, retail and real estate industries.

Wragg is currently also a member of the American Institute of Certified Public Accountants and Massachusetts Society of Certified Public Accountants.

On April 26, 2007, a networking event, coordinated by Kris Moretti, was held for the young CPAs crowd – under 35 – at McFadden's Restaurant in Providence. The event, sponsored by Sovereign Bank, was attended by more than 75 people, who made a total contribution of \$600 to the Rhode Island Food Bank. Thanks to all who attended.

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GOVERNMENT AFFAIRS from page 3

What are your feelings on the current trend of businesses outsourcing jobs overseas?

There is no more talented or devoted group of workers than the American labor force. We need to examine our trade and tax policies to ensure that companies do not have unwarranted incentives to outsource work that is rightfully performed by Americans. On a level playing field, no one will outperform American workers. We need to be sure they are able to compete on an equal basis. We need to invest in both federal and private research and development efforts, as well as our education system, so that we can maintain a skilled and adaptable workforce and increase the technological advantage that we have enjoyed for decades.

Mobility On the Move

In the spring issue of *What Counts*, the topic of mobility, and the issues it poses to CPAs, was introduced and discussed. This summer, its receiving national attention as stakeholder groups and legislators are making decisions on how CPAs will practice in states around the country. The goal of the movement is a national mobility system that will allow licensees from one state to practice in another. And several states are moving forward to enact the proposed revisions to the Uniform Accounting Act (UAA) Section 23. The RISCPA is pleased to be part of this national movement.

Mobility is the ability of a licensee to gain a practice privilege outside of his or her principal place of business – without a license. It's not an issue that's specific to the accounting profession, but it's reaching a crisis point as the Internet and other such drivers of globalization have made geographic borders irrelevant.

Substantial equivalency was a step in the right direction. Similar to a driver's license approach, under this provision a licensed CPA that had met the three Es – 150 hours of education, passed the CPA Exam, and one year of experience – could work in other states that had adopted substantial equivalency without license or notification. Although most states had adopted substantial equivalency, about 30 had added nuances to the law, creating different rules for every state.

It's much more than a convenience factor for

CPAs, however; it's about customer service. Consumers have a right to choose who their provider is regardless of geography, and CPAs need to be with their clients to serve their needs and ensure a successful relationship. But if the company is making an acquisition out of state or even traveling on a business matter that requires their CPA firm's presence, the waters become muddied. And in many cases, if the company relocates, it's forced to find a new CPA firm.

Under the proposed revisions to Section 23, a CPA can practice directly or indirectly in a neighboring state without having to notify the state or pay a fee. Sometimes referred to as the No Notification, No Fee, No Escape provision, the law emphasizes that the CPA practicing out of state acknowledges and consents to the rules and regulations of that state. And the state board would have authority and jurisdiction over all CPAs practicing in their state.

Key to the issue gaining momentum is the cooperative spirit of the American Institute of Certified Public Accountants (AICPA), National Association of State Boards of Accountancy (NASBA), state societies, CPA firms and boards of accountancy. A Special Committee on Mobility was created last year to study the issue and offer solutions. By continuing to meet with other states, keeping lines of communication open and realizing that each state's needs are different, the key stakeholders are making headway in addressing issues up front, before necessary legislation is introduced in each state. While leadership of both the AICPA and

NASBA have agreed to remove the notification requirement, each of the 55 jurisdictions need to enact and implement the ruling to be effective.

Four states currently have mobility laws in place with no-notification provisions: Ohio, Virginia, Missouri and Wisconsin. As of this writing, in the 2007 legislative session, two mobility bills have already signed into law in Tennessee and Indiana, and another is awaiting signature from the Governor in Texas. About six other states, including Rhode Island, have introduced legislation and are still actively engaged in the process.

In Rhode Island, two identical bills were introduced in the House (H5708) and Senate (S0787). At this time, they've passed both houses, and are heading to the Governor's office for signature. Given its close proximity to neighboring states, Rhode Island has been collaborating with Massachusetts on the issue, who has recently submitted a mobility bill to their full time legislature.

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Academics

Finance Program Piques Interest of Students

Smithfield High School students have been given an opportunity to take a giant leap into the world of finance. Business teacher Stephen Rocco runs a program called the Smithfield Academy of Finance, designed to help students understand the business world before deciding on further education, areas of study and career paths.

The program is a two to three year comprehensive structure of courses in business, finance and technology for sophomore, junior and senior students. The goal is to provide a head start to students planning to continue their education in business. The Academy is an introduction into the business world that includes classes that offer insight into all financial areas, including: banking and credit, financial planning, accounting, economics, and international finance. The curriculum is aligned with the standards of the National Business Educators Association (NBEA) and the National Academy Foundation.

Student participants reap rewards for their efforts with visits from guest speakers, field trips and a multi-day cultural trip to New York City. Acceptance into the program requires good academic standing and a solid social disciplinary status. The students in the program are diverse and the program has seen a 100 percent rate of enrollment in higher education for graduates.

“Hopefully some of what I have taught them rubs off not just in college, but in life,” said Rocco.

For a student to successfully complete the Academy he or she must take one course per year of Academy designed courses, complete a 150-hour paid

internship and complete the Business 101 course at Bryant University. Another option for students is to take classes for which they may receive credits from the University of Rhode Island, Rhode Island College or Bryant.

Class demand is high and feedback is positive for the Smithfield Academy of Finance. Rocco is proud of his students, whose most recent endeavor was a three-day trip to New York City where the highlight was breakfast in the boardroom of Fidelity Investments. The networking opportunities the Academy affords reaches as far as Japan and Europe.

Sixteen students in particular have accomplished the added challenge of passing the Basic Tax Preparers Course, which has made the Academy of Finance an e-file site for the IRS under the Volunteer Income Tax Assistance (VITA) program.

Students are able to get a taste of what their college career would be like in a business program, and often like it. As of 2006, 16 Smithfield Academy of Finance graduates had enrolled at Bryant University. Bryant is not the only institution to welcome Rocco's students. Schools such as Boston University and Bentley College have also hosted graduates of the Academy.

“If there is one advantage that the students enrolled in this program have, it is in the confidence they build,” said Rocco, who wants his students to perform well in the future based on their experiences as well as accomplishments in the classroom.

Local Students Get Financial Assistance from RISCPA

With college tuition rising at a rate much higher than that of inflation each year, students – and their parents – look to a variety of sources to help ease the financial burden. Last year, tuition slowed to an increase of about six percent on average, but that still meant more than \$22,000 per year for a private, four-year college.

Each year, the Rhode Island Society of CPAs is happy to help dedicated students by offering two scholarships: the Cheryl A. Ruggiero scholarship, established in 2005, and the Carl W. Christiansen scholarship established in 1974. Both aim to support and encourage Rhode Island residents who are committed to the field of accounting. Applicants can be studying in or out of state and enrolled in their sophomore year through graduate school.

Out of 13 highly qualified applicants, the award for the Cheryl Ruggiero scholarship went to Andrea Bernier in the amount of \$1,100. Bernier graduated from the University of Rhode Island this spring and will pursue her Master's degree there in the fall.

Twenty-five students applied for the Carl W. Christiansen award and seven were granted scholarships ranging from \$500 to \$2,000. Recipients included: Andrea Bernier of the University of Rhode Island, Kristen Capaldo of Bryant

University, Rionda Geraldine of Rhode Island College, Andrew Jacober of Georgetown, Mary Brunetti of Rhode Island College, Lindsey Campbell of Quinnipiac, and Kristen Velle of Stonehill College.

Scholarships were awarded during the Society's annual dinner in April. Nearly 150 members, invited guests and award recipients attended the event held at the Providence Marriott. Leslie Murphy, past AICPA president, addressed the crowd.

The RISCPA scholarship committee, chaired by Sharon Kennedy, determines the number and amount of scholarships awarded. All members get a complete set of applications to rate and then the average score is tallied to determine final recipients.

“We had a variety of really good applicants this year,” said Kennedy. “Some demonstrated great commitment to the profession with internships in accounting, related summer jobs or by excelling in their accounting courses, which helped to set them apart from others.”

NEW VMA from page 1

decades.

But in the mid 1980s, the Smith Hill section of Providence became cut off from the rest of the downtown city, where theater, entertainment and restaurants were booming. Disrepair almost forced the VMA to close until the public rallied around the well-known Rhode Island icon and community groundswell renewed interest in the venue. Providence Place Mall further bolstered interest in the neighborhood.

In 1992, the management and operation of the theater was privatized with establishment of the non-profit VMA organization. In 1997, the VMA was re-branded as the VMA Arts & Cultural Center under the leadership of Executive Director Tereann Greenwood. Greenwood saw the VMA as a catalyst for positive change. A vision for the revival of the surrounding area was presented to the Department of Transportation, who supported the project throughout.

Integral to the plan was the transformation of the exterior; specifically turning Brownell Street into the Avenue of the Arts. The grand project included a new street with an integrated plaza, new sidewalks, granite walls, bollards, streetlights and plantings. The DOT approved federal and state funds for the \$5-million project. Construction began in 2004 and in the fall 2006, the Avenue of the Arts opened.

In 2004, the VMA signed an agreement with the state transferring ownership of the theater to VMA effective June 2008. In 2005, a very active and committed board of directors initiated a capital campaign with a goal of \$15 million. A five-year plan focused on repair, refurbishment and upgrade needs. To date, \$5 million has been pledged during the quiet phase of the campaign. Extensive renovations during this phase called for the VMA to close for part of 2005 to refurbish original seats with a



rich red fabric; install a new lobby elevator; and expand disability seating that for the first time

made all three levels fully handicap accessible. Future projects

include water damage repair, increased patron amenities; replacement of HVAC; exterior brickwork; a new marquee; a new loading dock and renovated backstage space.

The VMA makes use of its entire space with 50 percent of space integrated to support the stage. Just a few steps from their office space, you can open a sliding door and find yourself perched on a balcony, high above the stage, facing the 1,931 theater seats. Part of their business plan includes three floors of commercial space for rent.

Since Sage Hospitality Resources became involved in the Renaissance Providence Hotel project in 2002, the VMA has enjoyed a positive relationship with them. The VMA and the hotel have been collaborating on marketing initiatives, realizing the potential for mutual benefit. The hotel, which opened with much anticipation in spring 2007, has 272 rooms, a posh restaurant and a 10,000-square-foot ballroom under the VMA.

"The Masonic Temple and the VMA have been on a separate journey for 80

years," said Greenwood. "The original architect envisioned what stands here today."

Partnerships have been the key to the VMA's success. A dedicated board of directors, Sage Hospitality Resources, the Rhode Island Historical Preservation & Heritage Commission, the Champlin Foundations, the DOT, the Department of Administration under both Governors Almond and Carcieri, and private and corporate donors have all contributed to the success of the project.

"We have unique partnerships with various groups and individuals," said Greenwood. "We've made some very good friends along this journey."

As the renovations progress, the folks at the VMA are booking headline talent, such as Sandra Bernhard, to start bringing back the crowds of its heyday. Walking through the VMA, it seems as if nothing is out of place. The plush seats, soft lighting, and dark wood harkens back to when it opened; just the way it's meant to be.

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AFFORDABLE HEALTHCARE from page 1

“There’s a lot to learn from their experience. They’ve done a very good job of staying focused on the goal of the program.”

With the first part of the Healthcare Reform Plan – the expansion of Medicaid eligibility – behind them, Massachusetts is now starting the individual and employer mandate and there are lots of questions to answer.

Individuals will have to report on their 2007 tax returns that they had healthcare coverage by July 1. To satisfy that requirement, they need to determine what type of insurance they want and need. There are a variety of options available. Small businesses and individuals can

find options through the Commonwealth Health Insurance Connector, an organization created to help people find affordable, quality insurance plans. The state estimates that about 215,000 people will purchase coverage through the Connector.

Employers on the other hand, have to determine what’s adequate to offer. Under the law, employers with more than 10 employees must provide coverage or pay a “Fair Share” contribution of up to \$295 annually per employee to the state. In addition, the same set of employers have to offer a Section 125 cafeteria plan that allows employees to buy healthcare with pretax dollars.

It’s important to note that there are key differences between Massachusetts and Rhode Island. Chief among them is Massachusetts’ redistribution of existing Medicaid funds in excess of \$300 million that would have been lost without the creation of a plan to reduce the number of uninsured in the Bay State. In addition, with only two big insurers in the state, Rhode Island is viewed as a less competitive market.

Part of the Massachusetts plan includes insurance market reform and combining small groups with individuals, a concept that Rhode Island is very interested in looking at. Small groups consist of businesses with less than 50 employees, and make up about 39,000 of the businesses in Rhode Island. Merging these groups with individuals – about 15,000 people – would give more rate stability in the individual market, which tends to be volatile. The saying “there’s strength in numbers,” holds true here.

“It’s the high cost, high risk individual that’s at risk of being excluded,” explains Koller. “By merging these groups, there’s greater opportunity for negotiation and stability.”

Legislation was introduced during the 2007 session to study merging these groups to see if the option would be viable in Rhode Island.

So how do we start closing the gap now and reaching the uninsured population? In an attempt to offer another option for health insurance, Rhode Island has introduced HealthPact RI plans, affordable legislated health insurance plans that reward healthy behaviors. Available on October 1, 2007, the plans, which will be offered by Blue Cross & Blue Shield of Rhode Island and United Healthcare, target small businesses who have struggled to provide coverage for employees. Koller hopes to expand the program to include individuals in the near future.

“The elements of HealthPact RI focus on key affordability issues that drive the cost of healthcare,” said Koller. “Employers and employees can make a personal commitment to healthy behaviors – like appropriate use of health care services – in order to qualify for lower premiums and deductibles.”

In its first year, enrollment in these plans will be capped at 5,000 per plan. Each plan has an Advantage and Basic level plan, based on the enrollee’s commitment to five healthy behaviors that affect costs. Those behaviors are: selection of a primary care physician; completion of a health risk appraisal; pledge to maintain a healthy weight or enroll in a weight management program; pledge to remain smoke free or enroll in a smoking cessation program; and pledge to participate in a disease management program if applicable.

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TOPIC: HEALTH INSURANCE MADE SIMPLE

Let's face it – in today's world, health insurance is a necessity. The cost of medical care is soaring higher every year, and it's becoming increasingly difficult (and in some cases, impossible) to pay medical costs out of pocket. Whether you already have health insurance or want to get it, here's some basic information to help you understand it.

Not part of a group? You may have to go it alone

You may have group health insurance or be able to buy it through your employer. Group insurance is most commonly offered through employers. It is also offered through some civic groups and other organizations (e.g., auto clubs, chambers of commerce). A single policy covers the medical expenses of a group of people. All eligible members of the group can be covered by a group policy regardless of age or physical condition. The premium for group insurance is calculated based on characteristics of the group as a whole, such as average age and degree of occupational hazard. It's generally less expensive than individual insurance.

If you can't join a group, consider buying individual insurance. Unlike group insurance, individual insurance is purchased directly from an insurance company or agent. When you apply, you are evaluated in terms of how much risk you present to the insurance company. Your risk potential will determine whether you qualify for insurance and how much it will cost, depending on state laws. You must pay the full premiums yourself.

Know what's out there

The cost and range of protection that your health insurance provides will depend on your insurance provider and the particular policy you purchase. You may have comprehensive health insurance that involves several types of coverage, or basic coverage that includes hospital, surgical, and physicians' expenses. In addition, major medical coverage is necessary in the event of a catastrophic accident

or illness. Many plans also cover prescriptions, mental health services, and other health-related activities (e.g., health-club memberships).

When it comes to health insurance, HMO, PPO, and POS are more than just letters. You need to know the types of health plans available so that you can make an informed decision. You can obtain health insurance through traditional insurers like Blue Cross/Blue Shield, health maintenance organizations (HMOs), preferred provider organizations (PPOs), point of service (POS) plans, and exclusive provider organizations (EPOs).

Traditional insurers: These plans usually allow you flexibility regarding choice of doctors and other health-care providers. Some policies reimburse you for covered expenses, while others make payments directly to medical providers. You will pay a deductible and a percentage of each bill, known as coinsurance.

HMOs: Health maintenance organizations cover only medical treatment provided by physicians and facilities within their networks. You must choose a primary care physician, who will either approve or deny any requests to see a specialist. You usually pay a fixed monthly fee for health-care coverage, as well as small co-payments (e.g., \$10 for each office visit and prescription).

PPOs: Preferred provider organizations do not require members to seek care from PPO physicians and hospitals, but there is usually strong financial incentive to do so (in terms of percentage of reimbursement). You usually pay a fixed monthly fee for health-care coverage, as well as small co-payments (e.g., \$10 for each office visit and prescription).

POSs: Point of service plans combine characteristics of the HMO and PPO. You must choose a primary care physician to be responsible for all of your referrals within the POS network. Although you can choose to go outside the network with this type of plan, your health care will be covered at a lower level.

EPOs: Exclusive provider organizations are

basically PPOs with one important difference – EPOs provide no coverage for non-network care.

Read your contract

You should have a basic understanding of what your policy does and does not cover. This may help you prevent an unexpected medical bill from arriving in your mailbox, because you'll know ahead of time, for instance, whether or not liposuction is covered. You must read your policy carefully, particularly the section on limitations and exclusions. The specifics will vary from policy to policy. In general, though, most policies will at least mention the following:

- **Pre-existing conditions:** An illness or injury that began or occurred before you obtained coverage under the policy. These conditions are often excluded from coverage for a time period, depending on state laws.
- **Nonduplication of benefits:** Benefits will not be paid for amounts reimbursed by other insurance companies.

Your health insurance policy should also address the following issues:

- **Deductible:** The amount that you must pay before insurance coverage begins (usually an annual figure)
- **Coinsurance:** The portion of each medical bill for which you are responsible
- **Co-payment:** The fixed fee that you pay for each doctor visit or prescription
- **Family coverage:** Many group plans allow you to cover your spouse and dependents for an increased premium
- **Out-of-pocket maximum:** This provision is designed to limit your liability for medical expenses in the calendar year; you won't have to make coinsurance payments in excess of this figure
- **Benefit ceiling:** The maximum lifetime payout under the insurance policy, usually at least \$1 million

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