

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Urban Radio of Mississippi, LLC
Debtor

Case No. 11-13977 (SCC)
Reporting Period: 02/01/12 - 02/29/12

Federal Tax I.D. # 52-2231154

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)


REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	Yes	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CONT)</u>	Yes	
Copies of bank statements		*	*
Cash disbursements journals		*	*
Statement of Operations	<u>MOR-2</u>	Yes	
Balance Sheet	<u>MOR-3</u>	Yes	
Status of Post-petition Taxes	<u>MOR-4</u>	Yes	
Copies of IRS Form 6123 or payment receipt		N/A	N/A
Copies of tax returns filed during reporting period		N/A	N/A
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	Yes	
Listing of Aged Accounts Payable		*	*
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	Yes	
Taxes Reconciliation and Aging	<u>MOR-5</u>	N/A	N/A
Payments to Insiders and Professional	<u>MOR-6</u>	Yes	
Post Petition Status of Secured Notes, Leases Payable	<u>MOR-6</u>	N/A	N/A
Debtor Questionnaire	<u>MOR-7</u>	Yes	

*** AVAILABLE UPON REQUEST**

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor _____

Date _____

Signature of Authorized Individual* 

Date: 4/16/12

Printed Name of Authorized Individual: Lois E. Wright, Esq.

Date: _____

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER - #8569 & #2019	PAYROLL	TAX	OTHER Petty Cash & Payroll	
CASH BEGINNING OF MONTH	163,641		-	300	163,941
RECEIPTS					
CASH SALES					-
ACCOUNTS RECEIVABLE - PREPETITION	22,709				22,709
ACCOUNTS RECEIVABLE - POSTPETITION	374,910				374,910
LOANS AND ADVANCES					-
SALE OF ASSETS					-
OTHER (ATTACH LIST)					-
TRANSFERS (FROM DIP ACCTS)		85,645			85,645
TOTAL RECEIPTS	397,619	85,645	-	-	483,264
DISBURSEMENTS					
NET PAYROLL (Gross Payroll)	14,719	8,203			22,922
PAYROLL TAXES (Employer)		77,442			77,442
SALES, USE, & OTHER TAXES	66				66
INVENTORY PURCHASES					-
SECURED/ RENTAL/ LEASES	18,055				18,055
INSURANCE					-
ADMINISTRATIVE	70,893				70,893
SELLING (Advertising/Mktg)	8,109				8,109
OTHER - Intercompany Transfer				-	-
OWNER DRAW *				-	-
TRANSFERS (TO DIP ACCTS)	100,000				100,000
PROFESSIONAL FEES					-
U.S. TRUSTEE QUARTERLY FEES					-
COURT COSTS					-
TOTAL DISBURSEMENTS	211,842	85,645	-	-	297,487
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	185,777	-	-	-	185,777
CASH - END OF MONTH	349,418	-	-	300	349,718

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	297,487
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	(100,000)
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	197,487

** Payroll is paid by NY bank account

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STATEMENT OF OPERATIONS (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MONTH	CUMULATIVE -FILING TO DATE
Gross Revenues	381,785	2,378,402
Less: Returns and Allowances	-	-
Net Revenue	381,785	2,378,402
COST OF GOODS SOLD		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (<i>attach schedule</i>)		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit		
OPERATING EXPENSES		
Advertising	3,625	8,535
Auto and Truck Expense	-	3,279
Bad Debts	2,500	14,417
Contributions	-	-
Employee Benefits Programs	24,756	148,537
Officer/Insider Compensation*	15,584	96,698
Insurance	3,551	18,330
Management Fees/Bonuses	2,500	14,417
Office Expense	805	4,043
Pension & Profit-Sharing Plans		-
Repairs and Maintenance	576	47,513
Rent and Lease Expense	20,885	121,180
Salaries/Commissions/Fees	95,646	515,038
Supplies	5,011	26,605
Taxes - Payroll	8,203	41,088
Taxes - Real Estate	-	6,008
Taxes - Other	66	66
Travel and Entertainment	1,425	3,291
Utilities	15,757	72,530
Other (<i>attach schedule</i>)	101,519	691,106
Total Operating Expenses Before Depreciation	302,409	1,832,681
Depreciation/Depletion/Amortization	8,864	56,817
Net Profit (Loss) Before Other Income & Expenses	70,512	488,904
OTHER INCOME AND EXPENSES		
Other Income (<i>attach schedule</i>)		10,920
Interest Expense	-	-
Other Expense (<i>attach schedule</i>)		
Net Profit (Loss) Before Reorganization Items	70,512	499,824

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REORGANIZATION ITEMS		
Professional Fees		
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 <i>(see continuation sheet)</i>		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses <i>(attach schedule)</i>		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)		

*"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

OTHER OPERATIONAL EXPENSES

Agency Commission	42,257	270,107
Professional Fees	900	15,359
Broadcasting Expenses	34,265	211,180
Research	13,492	87,128
Bank Fees/Postage/Dues&Subs/Corporate Overhead	1,540	29,137
Barter - Ad Premium/Misc	9,065	78,195

OTHER INCOME

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
CURRENT ASSETS	1/31/2012	1/31/2012	9/7/2011
Unrestricted Cash and Equivalents	349,718	163,941	52,649
Restricted Cash and Cash Equivalents <i>(see continuation sheet)</i>	-	-	-
Accounts Receivable (Net)	1,019,424	1,072,392	1,035,006
Notes Receivable	-	-	-
Inventories	-	-	-
Prepaid Expenses	17,730	7,599	12,368
Professional Retainers	-	-	-
Other Current Assets <i>(attach schedule)</i>	(33,307,875)	(33,336,818)	(33,194,835)
TOTAL CURRENT ASSETS	(31,921,003)	(32,092,886)	(32,094,812)
PROPERTY & EQUIPMENT			
Real Property and Improvements	99,840	99,840	99,840
Machinery and Equipment	2,213,724	2,213,724	2,213,724
Furniture, Fixtures and Office Equipment	258,252	258,252	258,252
Leasehold Improvements	178,364	178,364	178,364
Vehicles	64,000	64,000	51,437
Less: Accumulated Depreciation	(2,268,539)	(2,259,675)	(2,233,079)
TOTAL PROPERTY & EQUIPMENT	545,641	554,505	568,538
OTHER ASSETS			
Amounts due from Insiders*	-	-	-
Other Assets <i>(attach schedule)</i>	22,517,441	22,517,441	22,517,441
TOTAL OTHER ASSETS	22,517,441	22,517,441	22,517,441
TOTAL ASSETS	(8,857,921)	(9,020,940)	(9,008,833)
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)			
Accounts Payable	89,460	-	-
Taxes Payable <i>(refer to FORM MOR-4)</i>	-	-	-
Wages Payable	94,991	83,840	-
Notes Payable	-	-	-
Rent / Leases - Building/Equipment	-	-	-
Secured Debt / Adequate Protection Payments	-	-	-
Professional Fees	-	-	-
Amounts Due to Insiders*	-	-	-
Other Post-petition Liabilities <i>(attach schedule)</i>	110,410	72,044	-
TOTAL POST-PETITION LIABILITIES	294,861	155,884	-
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Secured Debt	-	-	-
Priority Debt	66,241	66,241	71,329
Unsecured Debt **	88,692	88,692	742,376
TOTAL PRE-PETITION LIABILITIES	154,933	154,933	813,705
TOTAL LIABILITIES	449,794	310,817	813,705
OWNERS' EQUITY			
Capital Stock	-	-	-
Additional Paid-In Capital	-	-	-
Partners' Capital Account	-	-	-
Owner's Equity Account	-	-	-
Retained Earnings - Pre-Petition	(9,822,538)	(9,822,538)	(9,822,538)
Retained Earnings - Post-petition	514,823	444,312	-
Adjustments to Owner Equity <i>(attach schedule)</i>	-	-	-
Post-petition Contributions <i>(attach schedule)</i>	-	-	-
NET OWNERS' EQUITY	(9,307,715)	(9,378,226)	(9,822,538)
TOTAL LIABILITIES AND OWNERS' EQUITY	(8,857,921)	(9,067,409)	(9,008,833)

**Insider" is defined in 11 U.S.C. Section 101(31).

BALANCE SHEET - continuation section

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
Barter Receivable	11,889	11,889	11,889
Due from Others	54,170	29,435	21,635
Due from Affiliates	(33,373,934)	(33,378,142)	(33,228,359)
Other Assets			
Intangibles	22,517,441	22,517,441	22,517,441
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Post-petition Liabilities			
PP FSA Payable	2,235	1,781	
PP Deferred Revenue - ST	15,428	6,523	
PP Other	30,825	30,779	
PP Accrued Exp - Health	57,922	28,961	
PP Barter Payable	4,000	4,000	
Adjustments to Owner's Equity			
Post-Petition Contributions			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

**** Decrease is primarily due to intercompany balance transfers.**

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STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	-					-
FICA-Employee	-					-
FICA-Employer	-					-
Unemployment	-					-
Income	-					-
Other: _____	-					-
Total Federal Taxes	-					-
State and Local						
Withholding	-					-
Sales	-					-
Excise	-					-
Unemployment	-					-
Real Property	-					-
Personal Property	-					-
Other: _____	-					-
Total State and Local	-	-	-			-
Total Taxes						
ALL PAYROLL TAXES ARE PAID BY ADP						

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Current	31-60	61-90	Over 91	Total
Accounts Payable	59,667	2,582	240	26,971	89,460
Wages Payable	94,991	-	-	-	94,991
Taxes Payable	-	-	-	-	-
Rent/Leases-Building	-	-	-	-	-
Rent/Leases-Equipment	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-
Professional Fees	-	-	-	-	-
Amounts Due to Insiders	-	-	-	-	-
Other: _____	-	-	-	-	-
Other: See MOR-3	110,410	-	-	-	110,410
Total Post-petition Debts	265,068	2,582	240	26,971	294,861

Explain how and when the Debtor intends to pay any past due post-petition debts.

Past due post-petition debts will be paid out of current funds.

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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	981,189
Plus: Amounts billed during the period	325,988
Less: Amounts collected during the period	(397,619)
Total Accounts Receivable at the end of the reporting period	909,558

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	269,424				269,424
31 - 60 days old		235,180			235,180
61 - 90 days old			115,782		115,782
91+ days old				289,172	289,172
Total Accounts Receivable					909,558
Less: Bad Debts (Amount considered uncollectible)					61,076
Net Accounts Receivable **					970,634

** A/R aging balance is lower than B/S amount due to revenue accruals and reclass of credit balances

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Kevin Webb	Salary	13,118	82,619
Kevin Webb	Commission	2,466	14,080
Kevin Webb	T&E		918
TOTAL PAYMENTS TO INSIDERS		15,584	97,616

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
TOTAL PAYMENTS TO PROFESSIONALS					

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS			

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DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		No
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		No
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		No
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		No
5	Is the Debtor delinquent in paying any insurance premium payment?		No
6	Have any payments been made on pre-petition liabilities this reporting period?		No
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		No
8	Are any post petition payroll taxes past due?		No
9	Are any post petition State or Federal income taxes past due?		No
10	Are any post petition real estate taxes past due?		No
11	Are any other post petition taxes past due?		No
12	Have any pre-petition taxes been paid during this reporting period?		No
13	Are any amounts owed to post petition creditors delinquent?	Yes**	
14	Are any wage payments past due?		No
15	Have any post petition loans been received by the Debtor from any party?		No
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		No
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		No
18	Have the owners or shareholders received any compensation outside of the normal course of business?		No

** See note on MOR-4