PRICE HILL WILL

FINANCIAL STATEMENTS

December 31, 2008

PRICE HILL WILL

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INTERNAL CONTROL ON COMPLIANCE

DECOSIMO
CERTIFIED PUBLIC ACCOUNTANTS

Joseph Decosimo and Company, LLC
Chemed Center - Suite 2200
255 East Fifth Street
Cincinnati, Ohio 45202
www.decosimo.com

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Price Hill Will
Cincinnati, Ohio

We have audited the accompanying statement of financial position of Price Hill Will, an Ohio not-for-profit organization, as of December 31, 2008, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Price Hill Will as of and for the year ended December 31, 2007, were audited by other auditors, whose report dated July 30, 2008, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit provides 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 the Organization as of December 31, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2009, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Joseph Decosimo and Company, LLC

Cincinnati, Ohio
July 27, 2009

PRICE HILL WILL

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 644,817	$ 316,031
Grants receivable	116,415	21,515
Prepaid expenses	22,526	8,288
Funds held - settlements	-	169,235
Total current assets	783,758	515,069
REAL ESTATE UNDER DEVELOPMENT	542,126	184,613
PROPERTY AND EQUIPMENT, net	56,985	11,360
TOTAL ASSETS	$ 1,382,869	$ 711,042
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 186,923	$ 6,098
Accounts payable	65,332	8,884
Accrued expenses	10,144	5,204
Lines of credit	258,398	236,043
Funds held - settlements	-	169,235
Total current liabilities	520,797	425,464
LONG-TERM DEBT	192,989	39,927
NET ASSETS		
Unrestricted net assets	426,198	63,108
Temporarily restricted net assets	242,885	182,543
Total net assets	669,083	245,651
TOTAL LIABILITIES AND NET ASSETS	$ 1,382,869	$ 711,042

The accompanying notes are an integral part of the financial statements.

PRICE HILL WILL

STATEMENT OF ACTIVITIES

Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Gross sales of developed property	$ 601,166	$ -	$ -	$ 601,166
Government grants	115,000	-	-	115,000
Non-government grants and contributions	348,419	339,131	-	687,550
Special events	23,099	-	-	23,099
Funds settlement	-	80,235	-	80,235
Net assets released from restriction	359,024	(359,024)	-	-
Total public support and revenue	1,446,708	60,342	-	1,507,050
EXPENSES				
Program services				
Civic engagement	104,571	-	-	104,571
Real estate development	788,600	-	-	788,600
Administrative	186,685	-	-	186,685
Total expenses	1,079,856	-	-	1,079,856
OTHER EXPENSE				
Interest expense	(3,762)	-	-	(3,762)
CHANGE IN NET ASSETS	363,090	60,342	-	423,432
NET ASSETS - beginning of year	63,108	182,543	-	245,651
NET ASSETS - end of year	$ 426,198	$ 242,885	$ -	$ 669,083

The accompanying notes are an integral part of the financial statements.

PRICE HILL WILL

STATEMENT OF ACTIVITIES

Year Ended December 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Gross sales of developed property	$ 373,900	$ -	$ -	$ 373,900
Government grants	322,849	-	-	322,849
Non-government grants and contributions	177,429	182,543	-	359,972
Special events	30,092	-	-	30,092
Net assets released from restriction	60,633	(60,633)	-	-
Total public support and revenue	964,903	121,910	-	1,086,813
EXPENSES				
Program services				
Civic engagement	100,958	-	-	100,958
Real estate development	746,942	-	-	746,942
Administrative	79,181	-	-	79,181
Total expenses	927,081	-	-	927,081
OTHER EXPENSE				
Interest expense	(5,834)	-	-	(5,834)
CHANGE IN NET ASSETS	31,988	121,910	-	153,898
NET ASSETS - beginning of year	31,120	60,633	-	91,753
NET ASSETS - end of year	$ 63,108	$ 182,543	$ -	$ 245,651

The accompanying notes are an integral part of the financial statements.

PRICE HILL WILL

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2008 and 2007

	2008	2007
OPERATING ACTIVITIES		
Change in net assets	$ 423,432	$ 153,898
Adjustments to reconcile change in net assets to net cash flows from operating activities -		
Depreciation	2,842	2,348
Cedar Grove Housing Development loan converted to grant	(75,000)	(139,271)
LISC recoverable grant forgiven	-	(26,682)
Changes in operating assets and liabilities -		
Grants receivable	(94,900)	29,092
Prepaid expenses	(14,238)	(2,236)
Real estate under development	(357,513)	(845)
Accounts payable	56,448	(1,721)
Accrued expenses	4,940	3,083
Net cash flows from operating activities	(53,989)	17,666
INVESTING ACTIVITIES		
Purchases of property and equipment	(48,467)	(4,227)
FINANCING ACTIVITIES		
Net advances on lines of credit	22,355	242,726
Repayment of long-term debt	(6,113)	(3,975)
Proceeds from Cedar Grove Housing Development loan	75,000	-
Proceeds from issuance of debt	340,000	-
Net cash flows from financing activities	431,242	238,751
NET CHANGE IN CASH AND CASH EQUIVALENTS	328,786	252,190
CASH AND CASH EQUIVALENTS - beginning of year	316,031	63,841
CASH AND CASH EQUIVALENTS - end of year	$ 644,817	$ 316,031
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid during the year	$ 5,041	$ 3,849
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
LISC recoverable grant forgiven	$ -	$ 26,682

The accompanying notes are an integral part of the financial statements.

PRICE HILL WILL

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2008

	Program Services			
	Civic Engagement	Real Estate Development	Administrative	Total
SALARIES AND RELATED EXPENSES				
Staff salaries	$ 57,134	$ 90,839	$ 56,657	$ 204,630
Employee benefits and taxes	9,774	10,440	9,045	29,259
	66,908	101,279	65,702	233,889
OPERATING EXPENSES				
Development cost of properties sold	-	605,652	-	605,652
Professional fees	8,246	25,187	87,108	120,541
Program supplies	20,753	45,333	3,688	69,774
Occupancy	3,134	4,934	4,823	12,891
Printing and publications	433	103	7,125	7,661
Miscellaneous	4,185	1,667	5,070	10,922
Telephone	170	185	4,706	5,061
Conferences, conventions and meetings	260	2,217	1,881	4,358
Advertising	310	1,379	-	1,689
Equipment rental	118	114	1,343	1,575
Staff education	-	450	978	1,428
Postage	54	-	1,264	1,318
Dues and awards	-	100	155	255
	37,663	687,321	118,141	843,125
DEPRECIATION	-	-	2,842	2,842
	$ 104,571	$ 788,600	$ 186,685	$ 1,079,856

The accompanying notes are an integral part of the financial statements.

PRICE HILL WILL

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2007

	Program Services: Civic Engagement	Program Services: Real Estate Development	Administrative	Total
SALARIES AND RELATED EXPENSES				
Staff salaries	$ 44,221	$ 63,411	$ 37,477	$ 145,109
Employee benefits and taxes	7,796	11,972	6,660	26,428
	52,017	75,383	44,137	171,537
OPERATING EXPENSES				
Development cost of properties sold	-	625,035	-	625,035
Professional fees	18,041	28,426	15,366	61,833
Occupancy	10,233	11,271	11,675	33,179
Program supplies	11,840	10	(497)	11,353
Printing and publications	2,701	734	1,582	5,017
Telephone	1,719	1,866	1,213	4,798
Miscellaneous	684	808	1,762	3,254
Equipment rental	3,050	1,077	(1,341)	2,786
Staff education	211	642	1,676	2,529
Conferences, conventions and meetings	169	1,061	622	1,852
Postage	113	154	388	655
Dues and awards	180	100	250	530
Advertising	-	375	-	375
	48,941	671,559	32,696	753,196
DEPRECIATION	-	-	2,348	2,348
	$ 100,958	$ 746,942	$ 79,181	$ 927,081

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and practices followed by the Organization are as follows:

NATURE OF OPERATIONS - Price Hill Will (the Organization) is a not-for-profit Ohio organization organized for the purpose of creating a constructive change for the Price Hill community in Cincinnati, Ohio. The Organization operates two main programs, Civic Engagement and Real Estate Development.

The Civic Engagement program provides a foundation for community development activities, bringing together a broad cross-section of residents and other stakeholders for conversation and action around their own areas of interest. Community Action Teams (CATS) build on the strengths of Price Hill by focusing on the following themes: arts, housing, beautification, diversity, education, business, church, youth, block clubs, eco-neighborhood and safety.

The Real Estate Development program promotes the physical development activity of the Organization. This includes the Cedar Grove Buy-Improve-Sell program in which the Organization purchases deteriorating houses in the Cedar Grove sub-neighborhood, rehabs the houses and sells them to owner-occupants. Other physical development strategies designed to stabilize and improve housing conditions in Price Hill include reduction of blight, promotion of homeownership, advocacy for changes in housing public policy, partnerships with other organizations, and increasing focus on improvements to the business district.

BASIS OF PRESENTATION - The Organization's financial statements are prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations* (SFAS 117). Under SFAS 117, the Organization 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. The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations and may be utilized at the discretion of the Board of Directors.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization satisfying the purpose or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the principal must be maintained intact in perpetuity and that only the income from the investment thereof must be expended either for the general purpose of the Organization or for purposes specified by the donor.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

NET ASSETS RELEASED FROM RESTRICTIONS - When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

RECOGNITION OF DONATED ITEMS - The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donated materials and fixed assets are recorded at fair vale as of the date of contribution.

REVENUE RECOGNITION - The Organization recognizes revenue from the sale of developed property using the completed-contract method. Under the completed-contract method, direct material and labor costs and indirect costs related to contract performance are capitalized, and contract revenues and capitalized costs are recognized in earnings when title passes at closing.

Grants are recognized in earnings in the period in which the related expenditures are incurred.

CASH AND CASH EQUIVALENTS - The Organization considers checking and savings accounts and highly liquid debt instruments with a maturity of three months or less, which are not funds held for others, to be cash and cash equivalents. The Organization maintains a portion of its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

GRANTS RECEIVABLE - Grants receivable are stated at the amount management expects to collect from outstanding balances. It is the opinion of management that all grants receivable are collectible. Accordingly, no allowance has been provided for in these financial statements. No bad debts were charged against operations for the years ended December 31, 2008 or 2007.

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result, audit adjustments could be required.

REAL ESTATE UNDER DEVELOPMENT - Real estate under development is stated at cost. Costs to improve real estate under development are capitalized, including interest costs incurred on funds used to purchase and rehabilitate property.

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost at the date of acquisition or fair value at the date of gift, if donated. Depreciation is provided using the straight-line method and the following useful lives:

Buildings and improvements	30 years
Furniture and equipment	5 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in operations currently. The cost of maintenance and repairs is charged to expense as incurred; the cost of significant renewals and betterments is capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

FUNCTIONAL EXPENSES - Program services include expenses which are directly attributable to providing services such as civic engagement and real estate development. Administrative activities include those expenses not directly identifiable with any specific function, but provide overall support and direction of the Organization. Directly identifiable expenses are charged to either program services or administrative expenses. Expenses related to more than one function are charged to program services or administrative expenses based upon estimates of time spent in these activities by the Organization's personnel.

LEASES - The Organization leases various equipment and facilities under short-term operating lease agreements. In the normal course of business, it is anticipated that these leases will be continued or be replaced by similar operating leases.

INCOME TAXES - The Organization is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. As such, the Organization is exempt from federal, state and local income taxes. The Organization is not considered a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the statement of financial position, interest and penalties, accounting in interim periods, disclosure and transition.

In December 2008, the FASB provided for a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Organization has elected this deferral and, accordingly, will be required to adopt FIN 48 in its 2009 annual financial statements. Prior to adoption of FIN 48, the Organization will continue to evaluate its uncertain tax positions and related income tax contingencies under SFAS No. 5, *Accounting for Contingencies*. SFAS No. 5 requires the Organization to accrue for losses it believes are probable and can be reasonably estimated. Management is currently assessing the impact of FIN 48 on its financial position and results of operations and has not yet determined if the adoption of FIN 48 will have a material effect on its financial statements.

ESTIMATES AND UNCERTAINTIES - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS - Certain reclassifications have been made to the 2007 financial statements in order for them to conform to the 2008 financial statement presentation.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following major classifications:

	2008	2007
Building and improvements	$ 48,467	$ -
Furniture and equipment	14,207	14,207
	62,674	14,207
Less accumulated depreciation	5,689	2,847
	$ 56,985	$ 11,360

NOTE 3 - GRANTS AND CONTRIBUTIONS

Grants and contributions recognized in the statements of activities consist of the following:

GOVERNMENT GRANTS	2008	2007
City of Cincinnati, Cedar Grove Housing Development, designated for development of owner occupied housing in the city designated Cedar Grove area of Price Hill.	$ 75,000	$ 225,000
U.S. Departments of Housing and Urban Development (HUD) funds passed through LISC Section 4 Fund, restricted to salary and fringe benefits of Housing Director and Community Organizer and expense related to occupancy.	40,000	73,349
HUD funds passed through City of Cincinnati as part of Community Development Block Grant funds for property development.	-	24,500
	$ 115,000	$ 322,849
NON-GOVERNMENT GRANTS AND CONTRIBUTIONS		
Private grant for Price Hill Will Community Action Team and Neighborhood Organizing Project	$ 390,000	$ 100,850
United Way of Greater Cincinnati, "Place Matters" pilot project	202,300	229,600
LISC Recoverable Grant (Housing)	47,765	29,522
Other grants and contributions	47,485	-
	$ 687,550	$ 359,972

A substantial portion of the Organization's revenue comes from government grants and non-government grants and contributions. Approximately 8% and 30% of total revenues came from governmental grants for 2008 and 2007, respectively and 46% and 34% of total revenues came from non-government grants and contributions for 2008 and 2007, respectively.

NOTE 4 - REAL ESTATE UNDER DEVELOPMENT

The Organization, as part of its exempt purpose, purchases and improves real estate in the Price Hill area. Upon completion, the real estate will then be sold to qualified individuals. The cost of the purchases and improvements are recorded and capitalized as "real estate under development" in the accompanying statements of financial position. As of December 31, 2008 and 2007, real estate under development totaled $542,126 and $184,613, respectively.

The results of operations related to purchase, betterment and disposal of property is directly related to the Organization's real estate development program. A significant portion of the costs included as real estate under development has been subsidized through grants and contributions received by the Organization.

The results from sales of developed property are as follows:

	2008	2007
Gross revenue from sales of developed property	**$ 601,166**	$ 373,900
Less development costs of properties sold	**605,652**	625,035
Loss on sales of developed property	**$ (4,486)**	$ (251,135)

NOTE 5 - LINES OF CREDIT

The Organization has the following lines of credit:

	2008	2007
The Local Initiatives Support Corporation (LISC) agreement allows the Organization to borrow up to $300,000 to be used for property acquisition and development. The agreement is dated April 18, 2006 and matures in July 2009. Interest at 6% per annum plus principal is repayable at closing of sale of each property.	**$ 178,398**	$ 236,043
The Ohio Housing Finance Agency allows the Organization to borrow up to $500,000 to be used for property acquisition and development. The agreement is dated June 21, 2007 and expires in December 2009. Principal is repayable at closing of sale of each property. The line of credit is subject to an interest rate of 3.25%.	**80,000**	-
	$ 258,398	$ 236,043

NOTE 6 - LONG-TERM DEBT

Long-term debt consists of the following:

	2008	2007
Note payable dated March 1, 2006 for $50,000. The note requires forty-eight installments of principal and interest at 3% annum beginning June 1, 2007 with a final payment due May 1, 2011.	$ 39,912	$ 46,025
Mortgage note payable dated December 17, 2008 for $170,000. The note requires monthly payments of principal and interest at 5% per annum for ten years beginning March 1, 2009.	170,000	-
Agreement with the City of Cincinnati dated November 2005 for the purpose of rehabilitating four residential properties, 1% simple interest per annum. After sale to qualified owner occupants, the City will forgive the debt associated with the property. If the terms of the agreement are not met, the loan is callable. Based on the agreement's callable nature, the full amount is included as a current liability in the debt maturity schedule.	170,000	-
	379,912	46,025
Less: current portion	186,923	6,098
	$ 192,989	$ 39,927

Aggregate maturities of long-term debt for the years subsequent to December 31, 2008 are as follows:

Year ending	
December 31, 2009	$ 186,923
December 31, 2010	20,489
December 31, 2011	42,400
December 31, 2012	15,484
December 31, 2013	16,276
Thereafter	98,340
	$ 379,912

NOTE 7 - FUNDS HELD - SETTLEMENTS

Funds held - settlements as shown on the statements of financial position, represent amounts received plus interest earned on principal in settlement of claims, filed on behalf of several communities, including the Price Hill community, regarding the buying and selling of property in those communities. The Organization agreed to hold the funds in a fiduciary capacity until a community housing fund could be established. As of December 31, 2007, the Organization had a total of $169,235 in funds held. In 2008, a community housing foundation was established and Price Hill Will released the fiduciary funds. Accordingly, during 2008, $89,000 of funds held were released to other organizations and Price Hill Will recognized $80,235 as revenue as permitted under the terms of the agreement.

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	2008	2007
SC Ministry - civic engagement	$ 133,558	$ 33,521
Private Foundation Housing - real estate development	101,200	-
Early Action Grant - civic engagement	3,570	-
A Fine Line - civic engagement	1,775	-
Art Community Action Teams (CATS) - civic engagement	1,331	2,875
Place Matters - real estate development	-	45,000
Place Matters - Business - civic engagement	-	81,761
Mt. Hope - real estate development	-	19,000
Other - civic engagement	1,451	386
	$ 242,885	182,543

NOTE 9 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the time or purpose restriction(s) of the grant or gift as specified by donor(s).

	2008	2007
Purpose restriction accomplished -		
SC Ministry - civic engagement	$ 164,963	$ 29,162
Place Matters - Business - civic engagement	81,761	-
Place Matters - real estate development	45,000	-
Private Foundation Housing - real estate development	23,800	-
Mt. Hope - real estate development	19,000	-
Emery Foundation - civic engagement	9,948	-
Early Action Grant - civic engagement	6,430	-
Art Community Action Teams (CATS) - civic engagement	3,953	3,013
A Fine Line - civic engagement	3,225	-
Cedar Grove - real estate development	-	25,319
Other programs - civic engagement	944	3,139
	$ 359,024	$ 60,633

NOTE 10 - EMPLOYEE BENEFIT PLAN

The Organization sponsors a defined contribution plan which provides benefits for eligible employees under the Internal Revenue Code Section 401(k). Organization contributions to the Plan are made in accordance with a specified formula. The Organization's contributions to the Plan totaled $4,937 and $3,851 for the years ended December 31, 2008 and 2007, respectively.

NOTE 11 - CONTINGENT LIABILITIES

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Organization but which will only be resolved when one or more future events occur or fail to occur. The Organization's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Organization's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

NOTE 12 - CURRENT ECONOMIC CONDITIONS

The current economic environment presents not-for-profit organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair values of investments, real estate and other assets and declines in contributions and grants. The financial statements have been prepared using values and information currently available to the Organization.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments that could negatively impact the Organization's overall financial position.

INTERNAL CONTROL COMPLIANCE

DECOSIMO
CERTIFIED PUBLIC ACCOUNTANTS

Joseph Decosimo and Company, LLC
Chemed Center - Suite 2200
255 East Fifth Street
Cincinnati, Ohio 45202
www.decosimo.com

INDEPENDENT ACCOUNTANTS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Price Hill Will
Cincinnati, Ohio

We have audited the financial statements of Price Hill Will (the Organization) as of and for the year ended December 31, 2008, and have issued our report thereon dated July 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We communicated certain recommendations to management of the Organization in a separate report dated July 27, 2009.

This communication is intended solely for the information and use of the Board of Directors, management and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Joseph Decosimo and Company, LLC

Cincinnati, Ohio
July 27, 2009