

**PRICE HILL WILL  
FINANCIAL STATEMENTS  
December 31, 2009**

**PRICE HILL WILL**  
**CONTENTS**

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REPORT OF INDEPENDENT ACCOUNTANTS	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3/4
STATEMENTS OF CASH FLOWS	5
STATEMENTS OF FUNCTIONAL EXPENSES	6/7
NOTES TO FINANCIAL STATEMENTS	8/15

**INTERNAL CONTROL AND COMPLIANCE**

Report of Independent Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17/18
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**REPORT OF INDEPENDENT ACCOUNTANTS**

To the Board of Directors  
Price Hill Will  
Cincinnati, Ohio

We have audited the accompanying statements of financial position of Price Hill Will (the Organization), an Ohio not-for-profit organization, as of December 31, 2009 and 2008, and the related statements of activities, cash flows and functional expenses for the years 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 audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Price Hill Will as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years 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 May 21, 2010, on our consideration of Price Hill Will'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 audits.



Cincinnati, Ohio  
May 21, 2010

**PRICE HILL WILL**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2009 and 2008**

	2009	2008
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 532,466	\$ 644,817
Grants receivable	25,406	116,415
Prepaid expenses	<u>9,485</u>	<u>22,526</u>
Total current assets	567,357	783,758
<b>REAL ESTATE UNDER DEVELOPMENT</b>	275,601	542,126
<b>PROPERTY AND EQUIPMENT, net</b>	<u>102,596</u>	<u>56,985</u>
<b>TOTAL ASSETS</b>	<u>\$ 945,554</u>	<u>\$ 1,382,869</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 180,300	\$ 286,923
Accounts payable	8,691	65,332
Accrued expenses	15,449	10,144
Lines of credit	<u>-</u>	<u>258,398</u>
Total current liabilities	<u>204,440</u>	<u>620,797</u>
<b>LONG-TERM DEBT</b>	<u>59,637</u>	<u>92,989</u>
<b>NET ASSETS</b>		
Unrestricted net assets	501,266	426,198
Temporarily restricted net assets	<u>180,211</u>	<u>242,885</u>
Total net assets	<u>681,477</u>	<u>669,083</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 945,554</u>	<u>\$ 1,382,869</u>

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

**PRICE HILL WILL**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2009**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>				
Gross sales of developed property	\$ 767,420	-	-	\$ 767,420
Government grants	426,876	-	-	426,876
Non-government grants and contributions	423,680	159,116	-	582,796
Special events	7,360	-	-	7,360
Net assets released from restriction	<u>221,790</u>	<u>(221,790)</u>	-	-
Total public support and revenue	<u>1,847,126</u>	<u>(62,674)</u>	-	<u>1,784,452</u>
<b>EXPENSES</b>				
Program services -				
Civic engagement	252,511	-	-	252,511
Real estate development	1,436,066	-	-	1,436,066
Administrative	128,821	-	-	128,821
Total expenses	<u>1,817,398</u>	-	-	<u>1,817,398</u>
<b>OTHER INCOME (EXPENSE)</b>				
Interest income	2,611	-	-	2,611
Miscellaneous income	57,078	-	-	57,078
Interest expense	(14,349)	-	-	(14,349)
Total other income and expense	<u>45,340</u>	-	-	<u>45,340</u>
<b>CHANGE IN NET ASSETS</b>	75,068	(62,674)	-	12,394
<b>NET ASSETS - beginning of year</b>	<u>426,198</u>	<u>242,885</u>	-	<u>669,083</u>
<b>NET ASSETS - end of year</b>	<u>\$ 501,266</u>	<u>\$ 180,211</u>	\$ -	<u>\$ 681,477</u>

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

**PRICE HILL WILL**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2008**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>PUBLIC SUPPORT AND REVENUE</b>				
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 restrictions	359,024	(359,024)	-	-
Total public support and revenue	<u>1,446,708</u>	<u>60,342</u>	<u>-</u>	<u>1,507,050</u>
<b>EXPENSES</b>				
Program services -				
Civic engagement	104,571	-	-	104,571
Real estate development	788,600	-	-	788,600
Administrative	186,685	-	-	186,685
Total expenses	<u>1,079,856</u>	<u>-</u>	<u>-</u>	<u>1,079,856</u>
<b>OTHER EXPENSE</b>				
Interest expense	(3,762)	-	-	(3,762)
<b>CHANGE IN NET ASSETS</b>				
	363,090	60,342	-	423,432
<b>NET ASSETS - beginning of year</b>	<u>63,108</u>	<u>182,543</u>	<u>-</u>	<u>245,651</u>
<b>NET ASSETS - end of year</b>	<u>\$ 426,198</u>	<u>\$ 242,885</u>	<u>\$ -</u>	<u>\$ 669,083</u>

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

**PRICE HILL WILL**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2009 and 2008**

	<b>2009</b>	<b>2008</b>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 12,394	\$ 423,432
Adjustments to reconcile change in net assets to net cash flows from operating activities -		
Depreciation	5,252	2,842
Forgiveness of loans - Ohio Housing Finance Agency	(100,000)	-
Forgiveness of loans - City of Cincinnati - Cedar Grove Housing Development	(170,000)	(75,000)
Changes in operating assets and liabilities -		
Grants receivable	91,009	(94,900)
Prepaid expenses	13,041	(14,238)
Real estate under development	266,525	(357,513)
Accounts payable	(56,641)	56,448
Accrued expenses	<u>5,305</u>	<u>4,940</u>
<b>Net cash flows from operating activities</b>	<b><u>66,885</u></b>	<b><u>(53,989)</u></b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(50,863)</u>	<u>(48,467)</u>
<b>FINANCING ACTIVITIES</b>		
Net advances (repayments) on lines of credit	(158,398)	22,355
Repayment of long-term debt	(44,975)	(6,113)
Proceeds from Cedar Grove Housing Development loan	75,000	75,000
Proceeds from issuance of debt	<u>-</u>	<u>340,000</u>
<b>Net cash flows from financing activities</b>	<b><u>(128,373)</u></b>	<b><u>431,242</u></b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(112,351)</b>	<b>328,786</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b><u>644,817</u></b>	<b><u>316,031</u></b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b><u>\$ 532,466</u></b>	<b><u>\$ 644,817</u></b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid during the year	\$ 14,349	\$ 5,041

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

**PRICE HILL WILL**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2009

	<u>Program Services</u>			
	<u>Civic</u>	<u>Real Estate</u>	<u>Development</u>	<u>Total</u>
	<u>Engagement</u>	<u>Development</u>	<u>Administrative</u>	<u>Total</u>
<b>SALARIES AND RELATED EXPENSES</b>				
Staff salaries	\$ 66,104	\$ 101,519	\$ 58,858	\$ 226,481
Employee benefits and taxes	<u>11,365</u>	<u>12,994</u>	<u>10,441</u>	<u>34,800</u>
	<u>77,469</u>	<u>114,513</u>	<u>69,299</u>	<u>261,281</u>
<b>OPERATING EXPENSES</b>				
Development costs	-	1,055,558	-	1,055,558
Civic property expense	24,395	151,101	-	175,496
Professional fees	88,248	50,329	12,052	150,629
Office supplies	1,048	646	1,006	2,700
Program supplies	35,686	6,223	738	42,647
Occupancy	5,971	5,095	7,253	18,319
Printing and publications	4,195	5,736	1,597	11,528
Miscellaneous	-	15,980	596	16,576
Telephone	3,141	2,320	981	6,442
Conferences, conventions and meetings	1,454	3,181	2,646	7,281
Advertising	35	3,222	-	3,257
Equipment rental	1,974	1,208	24,256	27,438
Staff education	968	3,077	702	4,747
Postage	296	583	528	1,407
Insurance	7,416	14,833	367	22,616
Travel	215	2,061	611	2,887
Dues and awards	-	400	937	1,337
	<u>175,042</u>	<u>1,321,553</u>	<u>54,270</u>	<u>1,550,865</u>
<b>DEPRECIATION</b>				
	-	-	5,252	5,252
	<u>252,511</u>	<u>1,436,066</u>	<u>128,821</u>	<u>1,817,398</u>

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

**PRICE HILL WILL**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2008

	<b>Program Services</b>				
	<b>Civic</b>	<b>Real Estate</b>	<b>Development</b>	<b>Administrative</b>	<b>Total</b>
	<b>Engagement</b>	<b>Development</b>	<b>Development</b>	<b>Administrative</b>	<b>Total</b>
<b>SALARIES AND RELATED EXPENSES</b>					
Staff salaries	\$ 57,134	\$ 90,839		\$ 56,657	\$ 204,630
Employee benefits and taxes	<u>9,774</u>	<u>10,440</u>		<u>9,045</u>	<u>29,259</u>
	<u>66,908</u>	<u>101,279</u>		<u>65,702</u>	<u>233,889</u>
<b>OPERATING EXPENSES</b>					
Development costs	-	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	-	-		155	255
	<u>37,663</u>	<u>687,321</u>		<u>118,141</u>	<u>843,125</u>
<b>DEPRECIATION</b>					
	-	-		2,842	2,842
	<u>104,571</u>	<u>788,600</u>		<u>186,685</u>	<u>1,079,856</u>

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

**PRICE HILL WILL**  
**NOTES TO FINANCIAL STATEMENTS**

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**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 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 home ownership, 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 accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities, as applicable, 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.

**PRICE HILL WILL**  
**NOTES TO FINANCIAL STATEMENTS**

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**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 value 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, 2009 or 2008.

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.

**PRICE HILL WILL**  
**NOTES TO FINANCIAL STATEMENTS**

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**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 allocated 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. For the years ended December 31, 2009 and 2008, rent expense totaled \$6,300 and \$10,800, respectively.

**INCOME TAXES** - The Organization is exempt from federal income tax under the provisions 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 the Internal Revenue Code.

Effective January 1, 2009, the Organization adopted the Financial Accounting Standards Board's new interpretation, *Accounting for Uncertainty in Income Taxes*. This interpretation prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The adoption of this interpretation did not have a material effect on the Organization's financial statements.

**ADVERTISING** - The Organization uses advertising to promote its various programs and activities. Advertising costs are expensed as incurred. During 2009 and 2008, advertising expense totaled \$3,257 and \$1,689, respectively.

**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 disclosure 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.

**SUBSEQUENT EVENTS** - The Board has evaluated subsequent events for potential recognition and disclosure through May 21, 2010, the date the financial statements were available to be issued.

**RECLASSIFICATIONS** - Certain reclassifications have been made to the 2008 financial statements in order for them to conform to the 2009 financial statement presentation.

**PRICE HILL WILL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following major classifications:

	2009	2008
Land	\$ 5,499	\$ -
Building and improvements	92,437	48,467
Furniture and equipment	<u>15,600</u>	<u>14,207</u>
	113,536	62,674
Accumulated depreciation	<u>(10,940)</u>	<u>(5,689)</u>
	<u>\$ 102,596</u>	<u>\$ 56,985</u>

**NOTE 3 - GRANTS AND CONTRIBUTIONS**

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

**GOVERNMENT GRANTS**

	2009	2008
City of Cincinnati, Cedar Grove Housing Development, designated for development of owner occupied housing in the city designated Cedar Grove area of Price Hill.	\$ 150,000	\$ 75,000
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.	75,000	40,000
Ohio Housing Finance Agency funds provided as subsidy for single-family dwelling development, buyer assistance program and developer expenses related to property development.	108,376	-
City of Cincinnati, TIF District funding, designated for a planning study of Glenway Avenue and various administrative costs of Price Hill Will.	<u>93,500</u>	<u>-</u>
	<u>\$ 426,876</u>	<u>\$ 115,000</u>

**NON-GOVERNMENT GRANTS AND CONTRIBUTIONS**

Private grant for Price Hill Will Community Action Team and Neighborhood Organizing Project	\$ 290,000	\$ 390,000
United Way of Greater Cincinnati, "Place Matters" pilot project	249,600	202,300
LISC Recoverable Grant (Housing)	23,000	47,765
Other grants and contributions	<u>20,196</u>	<u>47,485</u>
	<u>\$ 582,796</u>	<u>\$ 687,550</u>

A substantial portion of the Organization's revenue comes from government grants and non-government grants and contributions. Approximately 24% and 8% of total revenues came from governmental grants for 2009 and 2008, respectively and 33% and 46% of total revenues came from non-government grants and contributions for 2009 and 2008, respectively.

**PRICE HILL WILL**  
**NOTES TO FINANCIAL STATEMENTS**

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**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, 2009 and 2008, real estate under development totaled \$275,601 and \$542,126, respectively.

The results of operations related to purchase, betterment and disposal of property are 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:

	<b>2009</b>	<b>2008</b>
Gross revenue from sales of developed property	\$ 767,420	\$ 601,166
Less development costs of properties sold	<u>1,055,558</u>	<u>605,652</u>
Loss on sales of developed property	<u>\$ (288,138)</u>	<u>\$ (4,486)</u>

**NOTE 5 - LINES OF CREDIT**

The Organization has the following lines of credit:

	<b>2009</b>	<b>2008</b>
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 was dated April 18, 2006, and matured in July 2009. Interest at 6% per annum plus principal was repayable at closing of sale of each property.	\$ -	\$ 178,398
The Ohio Housing Finance Agency allows the Organization to borrow up to \$500,000 to be used for property acquisition and development. The agreement was dated June 21, 2007, and expired in December 2009. Principal was repayable at closing of sale of each property. The line of credit was subject to an interest rate of 3.25%.	<u>-</u>	<u>80,000</u>
	<u>\$ -</u>	<u>\$ 258,398</u>

**PRICE HILL WILL**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6 - LONG-TERM DEBT**

Long-term debt consists of the following:

	<b>2009</b>	<b>2008</b>
Note payable dated March 1, 2006 for \$50,000. The note requires forty-eight installments of principal and interest at 3% per annum beginning June 1, 2007, with a final payment due May 1, 2011. The note was retired in July 2009.	\$ -	\$ 39,912
Mortgage note payable dated December 17, 2008, for \$70,000. The note requires monthly payments of principal and interest at 5% per annum for ten years beginning March 1, 2009.	<b>64,937</b>	70,000
Note payable totaling \$100,000 from an individual. The note requires annual interest payments at the stated applicable federal rate (4.47%) and is due on demand. Based on the note's nature, the full amount is included as a current liability in the debt maturity schedule.	<b>100,000</b>	100,000
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.	<u>\$ 75,000</u>	<u>\$ 170,000</u>
	<u>239,937</u>	379,912
Less current portion	<u>180,300</u>	<u>286,923</u>
	<u><b>\$ 59,637</b></u>	<u>\$ 92,989</u>

Aggregate maturities of long-term debt for the years subsequent to December 31, 2009, are as follows:

<b>Year ending</b>		
December 31, 2010	\$	180,300
December 31, 2011		6,065
December 31, 2012		6,376
December 31, 2013		6,702
December 31, 2014		7,045
Thereafter		<u>33,449</u>
	\$	<u><u>239,937</u></u>

**PRICE HILL WILL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following:

	2009	2008
SC Ministry - civic engagement	\$ -	\$ 133,558
Private Foundation Housing - real estate development	167,713	101,200
Early Action Grant - civic engagement	145	3,570
A Fine Line - civic engagement	172	1,775
Art Community Action Teams (CATS) - civic engagement	995	1,331
Positive Presence in the Park	105	309
Holiday on the Hill	1,042	-
LISC	6,017	-
Other - civic engagement	4,022	1,142
	<u>\$ 180,211</u>	<u>242,885</u>

**NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS**

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

	2009	2008
Purpose restriction accomplished -		
SC Ministry - civic engagement	\$ 133,558	\$ 164,963
Place Matters - Business - civic engagement	-	81,761
Place Matters - real estate development	-	45,000
Private Foundation Housing - real estate development	58,487	23,800
Mt. Hope - real estate development	-	19,000
Emery Foundation - civic engagement	-	9,948
Early Action Grant - civic engagement	3,425	6,430
Art Community Action Teams (CATS) - civic engagement	1,162	3,953
A Fine Line - civic engagement	1,603	3,225
Positive Presence in the Park	1,205	-
LISC	19,483	-
Other programs - civic engagement	2,867	944
	<u>\$ 221,790</u>	<u>\$ 359,024</u>

**NOTE 9 - EMPLOYEE BENEFIT PLAN**

The Organization sponsors a defined contribution plan which provides benefits for eligible employees under the Internal Revenue Code. Organization contributions to the Plan are made in accordance with a specified formula. The Organization's contributions to the Plan totaled \$6,277 and \$4,937 for the years ended December 31, 2009 and 2008, respectively.

**PRICE HILL WILL**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10 - GOVERNMENT GRANTS**

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

**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.

## **INTERNAL CONTROL AND COMPLIANCE**

**REPORT OF INDEPENDENT ACCOUNTANTS 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, 2009, and have issued our report thereon dated May 21, 2010. 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 deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

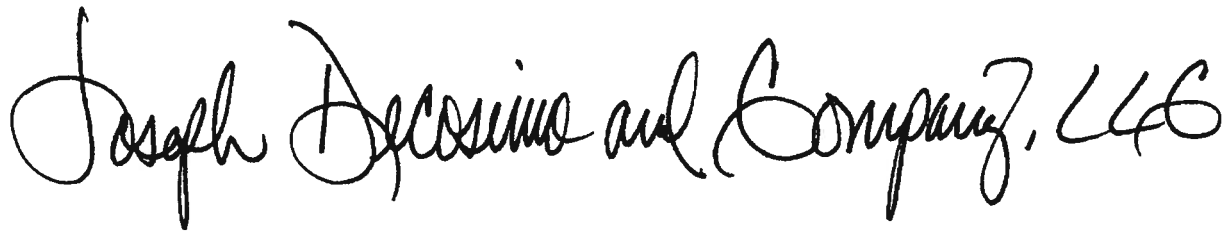
**Compliance and Other Matters**

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 noted certain matters that we reported to management of Price Hill Will in a separate communication dated May 21, 2010.

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.

A handwritten signature in black ink that reads "Joseph Decosimo and Company, LLC". The signature is written in a cursive, flowing style.

Cincinnati, Ohio  
May 21, 2010