

PRICE HILL WILL
FINANCIAL STATEMENTS
December 31, 2010

PRICE HILL WILL

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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, 2010 and 2009, 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, 2010 and 2009, 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 July 22, 2011, 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 audits.

Our audit was conducted for the purpose of forming an opinion on Price Hill Will's financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. That

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Joseph Decosimo and Company, LLC

Cincinnati, Ohio
July 22, 2011

PRICE HILL WILL
STATEMENTS OF FINANCIAL POSITION
December 31, 2010 and 2009

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 596,165	\$ 532,466
Grants receivable	125,338	25,406
Prepaid expenses	<u>4,296</u>	<u>9,485</u>
Total current assets	725,799	567,357
REAL ESTATE UNDER DEVELOPMENT	604,861	275,601
PROPERTY AND EQUIPMENT, net	<u>115,018</u>	<u>102,596</u>
TOTAL ASSETS	<u>\$ 1,445,678</u>	<u>\$ 945,554</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 105,571	\$ 180,300
Accounts payable	10,146	8,691
Grants payable	99,117	-
Accrued expenses	<u>17,718</u>	<u>15,449</u>
Total current liabilities	<u>232,552</u>	<u>204,440</u>
LONG-TERM DEBT	<u>53,571</u>	<u>59,637</u>
NET ASSETS		
Unrestricted net assets	976,909	501,266
Temporarily restricted net assets	<u>182,646</u>	<u>180,211</u>
Total net assets	<u>1,159,555</u>	<u>681,477</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,445,678</u>	<u>\$ 945,554</u>

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

PRICE HILL WILL
STATEMENT OF ACTIVITIES
Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Gross sales of developed property	\$ 619,560	\$ -	\$ -	\$ 619,560
Government grants	665,843	-	-	665,843
Non-government grants and contributions	352,080	207,255	-	559,335
Special events	6,841	-	-	6,841
Net assets released from restrictions	<u>204,820</u>	<u>(204,820)</u>	-	-
Total public support and revenue	<u>1,849,144</u>	<u>2,435</u>	-	<u>1,851,579</u>
EXPENSES				
Program services -				
Civic engagement	246,859	-	-	246,859
Real estate development	1,030,562	-	-	1,030,562
Administrative	122,881	-	-	122,881
Total expenses	<u>1,400,302</u>	-	-	<u>1,400,302</u>
OTHER INCOME (EXPENSE)				
Interest income	1,951	-	-	1,951
Miscellaneous income	27,972	-	-	27,972
Interest expense	<u>(3,122)</u>	-	-	<u>(3,122)</u>
Total other income (expense)	<u>26,801</u>	-	-	<u>26,801</u>
CHANGE IN NET ASSETS	475,643	2,435	-	478,078
NET ASSETS - beginning of year	<u>501,266</u>	<u>180,211</u>	-	<u>681,477</u>
NET ASSETS - end of year	<u>\$ 976,909</u>	<u>\$ 182,646</u>	\$ -	<u>\$ 1,159,555</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
PUBLIC SUPPORT AND REVENUE				
Gross sales of developed property	\$ 767,420	\$ -	\$ -	\$ 767,420
Government grants	351,876	-	-	351,876
Non-government grants and contributions	498,680	159,116	-	657,796
Special events	7,360	-	-	7,360
Net assets released from restrictions	<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>
EXPENSES				
Program services -				
Civic engagement	252,511	-	-	252,511
Real estate development	1,436,066	-	-	1,436,066
Administrative	<u>128,821</u>	-	-	<u>128,821</u>
Total expenses	<u>1,817,398</u>	-	-	<u>1,817,398</u>
OTHER INCOME (EXPENSE)				
Interest income	2,611	-	-	2,611
Miscellaneous income	57,078	-	-	57,078
Interest expense	<u>(14,349)</u>	-	-	<u>(14,349)</u>
Total other income (expense)	<u>45,340</u>	-	-	<u>45,340</u>
CHANGE IN NET ASSETS	75,068	(62,674)	-	12,394
NET ASSETS - beginning of year	<u>426,198</u>	<u>242,885</u>	-	<u>669,083</u>
NET ASSETS - end of year	<u>\$ 501,266</u>	<u>\$ 180,211</u>	<u>\$ -</u>	<u>\$ 681,477</u>

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

PRICE HILL WILL
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2010 and 2009

	2010	2009
OPERATING ACTIVITIES		
Change in net assets	\$ 478,078	\$ 12,394
Adjustments to reconcile change in net assets to net cash flows from operating activities -		
Depreciation	7,182	5,252
Forgiveness of loans - Ohio Housing Finance Agency	-	(100,000)
Forgiveness of loans - City of Cincinnati - Cedar Grove Housing Development	(75,000)	(170,000)
Changes in operating assets and liabilities -		
Grants receivable	(99,932)	91,009
Prepaid expenses	5,189	13,041
Real estate under development	(329,260)	266,525
Accounts payable	1,455	(56,641)
Grants payable	99,117	-
Accrued expenses	<u>2,269</u>	<u>5,305</u>
Net cash flows from operating activities	<u>89,098</u>	<u>66,885</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(19,604)</u>	<u>(50,863)</u>
FINANCING ACTIVITIES		
Net repayments on lines of credit	-	(158,398)
Repayment of long-term debt	(5,795)	(44,975)
Proceeds from Cedar Grove Housing Development loan	<u>-</u>	<u>75,000</u>
Net cash flows from financing activities	<u>(5,795)</u>	<u>(128,373)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	63,699	(112,351)
CASH AND CASH EQUIVALENTS - beginning of year	<u>532,466</u>	<u>644,817</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 596,165</u>	<u>\$ 532,466</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid during the year	\$ 3,122	\$ 14,349

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

PRICE HILL WILL
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2010

	Program Services			Administrative	Total
	Civic Engagement	Real Estate Development	\$		
SALARIES AND RELATED EXPENSES					
Staff salaries	\$ 119,994	\$ 71,772	\$	\$ 65,208	\$ 256,974
Employee benefits and taxes	<u>17,073</u>	<u>20,269</u>		<u>8,595</u>	<u>45,937</u>
	<u>137,067</u>	<u>92,041</u>		<u>73,803</u>	<u>302,911</u>
OPERATING EXPENSES					
Development costs	33,040	889,177		-	922,217
Civic property expense	3,275	1,334		-	4,609
Professional fees	27,181	24,873		21,389	73,443
Office supplies	792	232		899	1,923
Program supplies	21,198	116		706	22,020
Occupancy	3,204	3,819		2,719	9,742
Printing and publications	5,127	3,478		2,821	11,426
Miscellaneous	96	2,520		5,605	8,221
Telephone	1,714	1,303		1,283	4,300
Conferences, conventions and meetings	1,661	932		1,794	4,387
Equipment rental	6,228	666		751	7,645
Staff education	2,151	2,673		2,006	6,830
Postage	402	195		202	799
Insurance	2,597	4,845		1,212	8,654
Travel	760	1,586		367	2,713
Dues and awards	<u>366</u>	<u>772</u>		<u>142</u>	<u>1,280</u>
	<u>109,792</u>	<u>938,521</u>		<u>41,896</u>	<u>1,090,209</u>
DEPRECIATION	-	-		7,182	7,182
	<u>\$ 246,859</u>	<u>\$ 1,030,562</u>		<u>\$ 122,881</u>	<u>\$ 1,400,302</u>

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

PRICE HILL WILL
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2009

	Program Services			Total
	Civic Engagement	Real Estate Development	Administrative	
SALARIES AND RELATED EXPENSES				
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>
OPERATING EXPENSES				
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>
DEPRECIATION				
	-	-	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
NOTES TO 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 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

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. 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, 2010 or 2009.

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, less accumulated depreciation. Depreciation is provided using the straight-line method and the following useful lives:

Buildings and improvements	30 years
Land improvements	20 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 and the cost of significant renewals and betterments is capitalized.

PRICE HILL WILL
NOTES TO FINANCIAL STATEMENTS

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. There was no rent expense in 2010. For the year ended December 31, 2009, rent expense was \$6,300.

INCOME TAXES - The Organization is exempt from federal income tax under the provisions of Section 501(c)(3) 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. The Organization is no longer subject to federal tax examinations for years before 2007.

ADVERTISING - The Organization uses advertising to promote its various programs and activities. Advertising costs are expensed as incurred. There were no advertising costs in 2010. During 2009, advertising expense totaled \$3,257.

ESTIMATES AND UNCERTAINTIES - The preparation of financial statements in conformity with accounting principles generally accepted 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.

RECLASSIFICATIONS - Certain reclassifications have been made to the prior year financial statements in order to conform to the current year presentation.

SUBSEQUENT EVENTS - The Organization has evaluated subsequent events for potential recognition and disclosure through July 22, 2011, the date the financial statements were available to be issued.

PRICE HILL WILL
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following major classifications:

	2010	2009
Land and land improvements	\$ 25,103	\$ 5,499
Building and improvements	92,437	92,437
Furniture and equipment	<u>15,600</u>	<u>15,600</u>
	133,140	113,536
Accumulated depreciation	<u>(18,122)</u>	<u>(10,940)</u>
	<u>\$ 115,018</u>	<u>\$ 102,596</u>

NOTE 3 - GRANTS AND CONTRIBUTIONS

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

	2010	2009
GOVERNMENT GRANTS		
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	\$ 150,000
Ohio Housing Finance Agency funds provided as subsidy for single-family dwelling development, buyer assistance program and developer expenses related to property development	25,788	108,376
City of Cincinnati, TIF District funding, designated for a planning study of Glenway Avenue and various administrative costs of Price Hill Will	-	93,500
HUD funds passed through City of Cincinnati as part of Community Development Block Grant funds for property development	<u>565,055</u>	<u>-</u>
	<u>\$ 665,843</u>	<u>\$ 351,876</u>
NON-GOVERNMENT GRANTS AND CONTRIBUTIONS		
Private grant for Price Hill Will Community Action Team and Neighborhood Organizing Project	\$ -	\$ 290,000
United Way of Greater Cincinnati, "Place Matters" pilot project	98,550	249,600
LISC Recoverable Grant (Housing)	100,000	98,000
Private grant for Price Hill Will Core Program Support	160,000	-
Other grants and contributions	<u>200,785</u>	<u>20,196</u>
	<u>\$ 559,335</u>	<u>\$ 657,796</u>

PRICE HILL WILL
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - GRANTS AND CONTRIBUTIONS - continued

A substantial portion of the Organization's revenue comes from government grants and non-government grants and contributions. Approximately 36% and 20% of total revenues came from governmental grants for 2010 and 2009, respectively, and 30% and 36% of total revenues came from non-government grants and contributions for 2010 and 2009, 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 reported as "real estate under development" in the accompanying statements of financial position. As of December 31, 2010 and 2009, real estate under development totaled \$604,861 and \$275,601, 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:

	2010	2009
Gross revenue from sales of developed property	\$ 619,560	\$ 767,420
Less development costs of properties sold	<u>889,175</u>	<u>1,055,558</u>
Deficit on sales of developed property to be subsidized by other matching dollars	<u>\$ (269,615)</u>	<u>\$ (288,138)</u>

NOTE 5 - LINES OF CREDIT

The Organization has an agreement with The Local Initiatives Support Corporation (LISC) that allows the Organization to borrow money to be used for property acquisition and development. The agreement was dated April 18, 2006, and amended in December 2009. Interest at 6% per annum plus principal was repayable at closing of sale of each property. The line of credit was increased from \$300,000 to \$550,000 in the December 2009 amendment. The agreement expires on December 1, 2011. There is no outstanding balance as of December 31, 2010 or 2009.

PRICE HILL WILL
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM DEBT

Long-term debt consists of the following:

	2010	2009
Mortgage note payable dated December 17, 2008, for \$70,000. The note requires \$742 monthly payments of principal and interest at 5% per annum for ten years beginning March 1, 2009.	\$ 59,142	\$ 64,937
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.	100,000	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>-</u>	<u>75,000</u>
Less current portion	<u>159,142</u>	<u>239,937</u>
	<u>105,571</u>	<u>180,300</u>
	<u>\$ 53,571</u>	<u>\$ 59,637</u>

In accordance with certain note agreements, the notes may be forgiven when the terms and conditions of the notes have been properly fulfilled. Notes forgiven and recognized as revenue were \$75,000 and \$270,000 for the years ended December 31, 2010 and 2009, respectively.

Aggregate maturities of long-term debt for the years subsequent to December 31, 2010, are as follows:

Year ending	
December 31, 2011	\$ 105,571
December 31, 2012	6,376
December 31, 2013	6,702
December 31, 2014	7,045
December 31, 2015	7,405
Thereafter	<u>26,043</u>
	<u>\$ 159,142</u>

PRICE HILL WILL
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

		2010	2009
Private Foundation Housing	Real estate development	\$ 128,558	\$ 167,713
United Way Place Matters	Civic engagement	42,650	-
Early Action Grant	Civic engagement	145	145
A Fine Line	Civic engagement	3,000	172
Art Community Action Teams (CATS)	Civic engagement	942	995
Positive Presence in the Park	Civic engagement	105	105
Holiday on the Hill	Civic engagement	-	1,042
LISC	Civic engagement	2,995	6,017
Other	Civic engagement	4,251	4,022
		<u>\$ 182,646</u>	<u>\$ 180,211</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 the donor.

		2010	2009
Purpose restriction accomplished -			
SC Ministry	Civic engagement	\$ -	\$ 133,558
Place Matters - Business	Civic engagement	154,450	-
Private Foundation Housing	Real estate development	39,153	58,487
Early Action Grant	Civic engagement	-	3,425
Art Community Action Teams (CATS)	Civic engagement	1,505	1,162
A Fine Line	Civic engagement	3,173	1,603
Positive Presence in the Park	Civic engagement	-	1,205
LISC	Civic engagement	3,022	19,483
Other programs	Civic engagement	3,517	2,867
		<u>\$ 204,820</u>	<u>\$ 221,790</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 \$6,534 and \$6,277 for the years ended December 31, 2010 and 2009, respectively.

PRICE HILL WILL
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - GOVERNMENT GRANTS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audits. 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.

SUPPLEMENTARY INFORMATION

PRICE HILL WILL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2010

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development/City of Cincinnati Community Development Block Grants/Entitlement Grants	14.218	\$ <u>507,227</u>
Total Department of Housing and Urban Development and Federal Expenditures		\$ <u>507,227</u>

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Price Hill Will and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2 - NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

Price Hill Will entered into a subrecipient agreement with the City of Cincinnati in September 2009 to obtain \$819,000 of funds provided by the Housing and Economic Recovery Act of 2008 to purchase and rehabilitate abandoned and foreclosed homes and residential properties; to redevelop demolished or vacant properties; and to provide home buyer assistance for seventeen properties in East and West Price Hill. All funds are recognized as revenue when received. Under certain circumstances, all or a portion of the amount received under the NSP agreement may be returned upon the sale of each property if the sale proceeds received by Price Hill Will exceed Price Hill Will's investment in the property not including the NSP funds. The agreement expires December 1, 2012.

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

To the 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, 2010, and have issued our report thereon dated July 22, 2011. 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*.

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 22, 2011

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Price Hill Will
Cincinnati, Ohio

Compliance

We have audited the compliance of Price Hill Will (the Organization) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

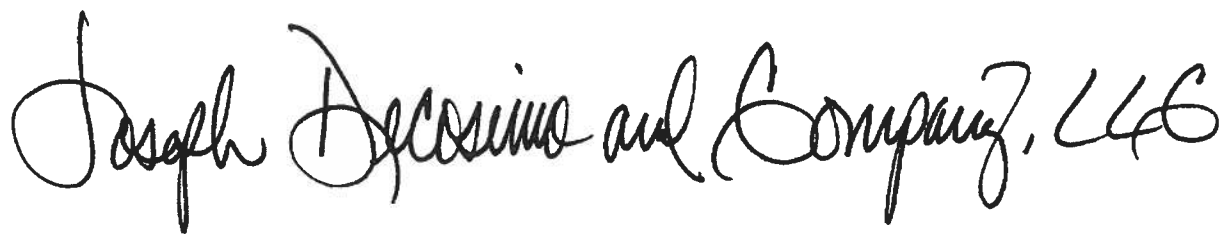
Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of the Board of Directors, management of Price Hill Will, federal awarding agencies, and pass-through entities 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
July 22, 2011

PRICE HILL WILL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	___x___	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	Yes	___x___	None reported
Noncompliance material to financial statements noted?	_____	Yes	___x___	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	___x___	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	Yes	___x___	None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____	Yes	___x___	No
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Identification of Major Program

CFDA Number

Name of Federal Program

14.218

Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	_____	Yes	___x___	No
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Section II - Financial Statement Findings

No matters reported.

Section III - Federal Award Findings and Questioned Costs

No matters reported.