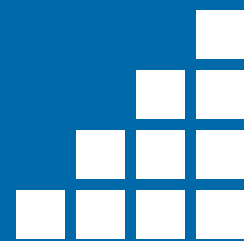


# Delaware Community Investment Corporation



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Annual Report

## Mission & History

The mission of the Delaware Community Investment Corporation is to serve as a vehicle for community revitalization by taking direct action through the financing of, and investment in, housing and related activities designed to address the needs of low to moderate income persons and areas; to aggregate and coordinate the use of public and private resources to improve and expand community development throughout Delaware.

The Delaware Community Investment Corporation was formed in 1994 as a community development corporation by a group of financial institutions. As an independent nonprofit corporation, DCIC has collaborated with private banks, public and private developers and public agencies to create more than 3,700 units of affordable housing. DCIC also provides long-term financing for commercial real estate projects located in areas targeted for revitalization, and short-term financing for acquisition/site control for planned revitalization projects throughout the State.





## Message from the Chairman & the President



In 2005, DCIC once again demonstrated its distinctive ability to finance and invest in community development initiatives through its loan programs and through the tax credit syndication program of its subsidiary, DCIC Equity Fund, Inc. Included are the new construction of affordable housing units, rehabilitation and preservation of existing housing complexes, acquisition and bridge loans for planned revitalization and financing for commercial real estate projects located in areas targeted for revitalization.

Since inception, DCIC has realized an aggregate of more than \$296 million in commitments from member banks for the loan and investment programs; realizing an increase of approximately \$23 million in commitments from member banks in 2005. Under the loan program, over \$111 million has been funded/committed, assisting in the creation of over 3,700 affordable housing units, a day care center for 250 inner city children, a 171 bed nursing home facility, a medical center, three charter schools, administration office space for two non-profit organizations and ten site acquisition loans for planned development projects.



DCIC has been an active participant in the tax credit syndication industry in Delaware, having formed six equity investment funds totaling over \$150 million. Investments have been made in 36 developments producing 2,332 units of housing for the elderly, the disabled and low income families. The quality of both loan and investment assets remains excellent with no loan delinquencies and all tax credit investment properties exhibiting full compliance with program regulations.

In this Annual Report, you will see and read about affordable housing projects and community development initiatives that required DCIC's unique blend of expertise and experience to complete. DCIC is an organization that is well established, profitable and highly successful in linking financial institutions, government agencies, developers and communities.

We recognize that long term relationships with our partners, both developers and member banks, is based on our stable history, the confidence of our forty member banks, and our ongoing commitment to fulfilling our mission of building and sustaining strong communities in Delaware.

We wish to extend special thanks to our member banks, our board of directors, committee members and staff who contribute to our success. With this leadership and ongoing support, DCIC will continue to respond to the important challenges of community development.

Sincerely,

A handwritten signature in dark ink, appearing to read "James A. Ladio".

James A. Ladio  
Chairman

A handwritten signature in dark ink, appearing to read "Doris R. Schnider".

Doris R. Schnider  
President

# Loan Programs



Overlook Colony, Claymont, DE

## HOUSING LOAN FUND

DCIC has established a track record in making loans on affordable housing projects; financing nearly 100% of all multifamily rental complexes developed under the federal low income housing tax credit program. Since inception, the loan program has provided financing for 2,941 units of affordable housing in Delaware, with outstanding commitments to finance an additional 760 units. All are high impact loans that have demonstrated strong performance. DCIC has experienced no loan defaults, and has encountered no issues regarding the continued viability of the developments.

DCIC continues to utilize the pooled committed funds from member banks. As of December 31, 2005, housing loan pool utilization was at 84% as follows:

Total Committed From Member Banks	\$ 102,360,700
Loans	\$ 60,468,805
Committed - Not Yet Advanced	\$ 25,771,024
Uncommitted Balance	\$ 16,120,861

## COMMUNITY INVESTMENT LOAN FUND

DCIC also offers long-term financing for commercial real estate projects which contribute to the revitalization of communities. The Community Investment Loan Fund Program was established in 1996 and since that time has made loans for eight revitalization developments including a day care center, three charter schools, a community center, a head start program, a medical center and office space for two nonprofit organizations. Utilization at year-end 2005 was approximately 78% as set forth below:

Total Committed From Member Banks	\$ 15,865,208
Loans	\$ 12,421,000
Uncommitted Balance	\$ 3,444,208

## URBAN RENEWAL LOAN FUND

In 1998, the Urban Renewal Loan Fund was established to provide short-term financing for site acquisition and bridge financing for projects located in areas targeted for revitalization. Ten loans have been funded under the program, six of which have been repaid and the proceeds returned to participating banks. Financing is available only to nonprofit organizations. Loans made under the program have resulted in the production of 165 units of housing, an arts center and a theater for the performing arts. Utilization at year-end 2005 was 73% as set forth below:

Total Committed From Member Banks	\$ 17,294,400
Loans	\$ 12,602,484
Uncommitted Balance	\$ 4,691,916

## New Markets Tax Credit Program

DCIC announced in late December 2004, that it would begin taking applications for community development loans under its newly formed New Markets Tax Credit Program. The Program was established by Congress in 2000 to increase the flow of private capital to markets in need of revitalization. DCIC was the first community development entity in Delaware to receive an allocation of credits under this Program. The allocation of tax credits was passed through to eleven member banks who committed \$10 million dollars which DCIC is making available under this Program.

DCIC will provide post construction permanent financing secured by a first mortgage against land and improvements. Qualifying projects will include those involving the development or rehabilitation of real estate which offer clear public benefits that will primarily accrue to residents of the area, stimulate additional development activities, promote economic development and/or create employment.



Spencer Apartments, Wilton, DE

## Affordable Housing Equity Program

Since the formation of DCIC's first equity fund in 1994 in the amount of \$10.67 million, the Corporation has formed five additional funds; the latest, Fund VI in the amount of \$30 million, was formed in November 2004. The closing of this Fund increased the total equity funds made available by DCIC to \$150.67 million. Of this amount, approximately \$119 million has been invested in 36 developments providing 2,332 units of housing for the elderly, the disabled and low income families. All developments are well maintained, are in compliance with the tax credit program and all demonstrate both economic and financial viability. All are operating at or near 100% occupancy.

Total Committed From Member Banks	\$ 150,670,000
Investments Made	\$ 118,940,000
Uncommitted Balance	\$ 31,729,997



# 2005 Loan & Equity Investment Activity

The following brief summaries provide an overview of the projects approved or underway during the past year. As the descriptions illustrate, these developments represent a wide range of geographic diversification and all are providing affordable housing and other services which contribute to the expansion of community development.

## **Lafayette Court, Wilmington**

Wilmington Senior Center is renovating two adjoining buildings which, upon completion of renovations, will provide 18 apartments for seniors. The proposed complex, which is currently vacant, will be renamed Lafayette Court after the completion of renovations. The buildings will provide three efficiency and fifteen one-bedroom apartment units that will be leased to seniors with income at 80% or less of the area median income. DCIC will provide permanent financing in the amount of \$400,000 after completion.

## **Seaford Meadows, Seaford**

This project involves the preservation of existing housing that had been subsidized through a HUD Section 8 project based rental assistance contract. An entity of Leon N. Weiner & Associates, Inc. (LNW) is currently the managing member. Through a limited partnership structure, LNW will rehabilitate the complex which is comprised of 121 one, two and three bedroom apartment units contained in 16 garden-style and townhouse buildings. The units will be affordable to tenants whose income does not exceed 50% of area median income. DCIC will provide permanent financing in the amount of \$4,640,000.

## **Brightway Commons, Milford**

Volunteers of America (VOA), is the developer of Brightway Commons, an 80-unit complex located in Kent County. VOA is one of the nation's largest non-profit providers of quality affordable housing for families, the elderly, and people with disabilities. The property, currently known as Bancker Heights, will be acquired and renovated by VOA and re-named Brightway Commons. The 80 units in the complex are contained in 20 attached two-story townhouses and 5 separate apartment buildings. The units will be renovated, and a community building will be constructed on-site for resident activities. The property will be developed under the federal low-income housing tax credit program and leased to tenants with incomes that are at or below 60% of the area median income. DCIC will provide permanent financing in the amount of \$1,458,145.

## **The Courtyard Apartments, Wilmington**

Jones Property Management, LLC, James Jones and Robert Jones principals, is the developer of The Courtyard Apartments. The development involves the acquisition and renovation of a vacant property in downtown Wilmington. Upon completion of the renovations, the complex will contain 16 one, two and three bedroom apartment units with an interior courtyard. All units will be accessible via the restricted courtyard. The units will be affordable to persons with incomes ranging from 50% to 80% of the area median income. The City of Wilmington will provide a second mortgage loan to the project and DCIC will provide permanent first mortgage financing in the amount of \$960,000.



The Lorelton Assisted Living, Wilmington, DE

## **Victoria Mews, Newark**

Delaware Valley Development Company (DVDC), is the developer of Victoria Mews, an existing 108-unit apartment complex located in Newark, Delaware. The development includes the acquisition and rehabilitation of the property that will include 102 one and two bedroom units, a manager's office and community center. Sixty-seven of the units will be made available to persons earning 60% or less of area median income and 35 units will be at market rents. DVDC will acquire the property under a limited partnership structure. DCIC will provide permanent mortgage financing of \$5,079,379.

## **West Quaker Hill Apartments, Wilmington**

Lawrence DiSabatino, principal of DiSabatino Ventures, LLC, is the developer/sponsor of West Quaker Hill Apartments. The site is located in the Central Business District of Wilmington. The existing 50-unit complex will be completely renovated to house 53 apartment units and a community center. The complex is comprised of thirteen buildings with three and four story walk-up style apartments. Because of the historic features of the properties, renovations will be designed to maintain the uniqueness of each unit. Upon completion of renovations, there will be 23 one-bedroom units, 30 two-bedroom units and a community center. Units will be affordable to persons earning 60% or less of median income. DCIC purchased the tax credits in the amount of \$4,375,032 in December of 2005 and upon completion of renovations, will provide \$1,575,000 in permanent financing.

## **Colony South, Milford**

In August of 2004, DCIC made a permanent financing commitment in the amount of \$935,000 to complete the financing requirement for a 54 unit, new construction development to be known as Colony South in Milford. The project was subsequently increased to 78 units. DCIC was asked to cancel the financing commitment made in 2004 and to consider permanent financing for the 78 unit development. Interfaith Housing of Delaware, Inc. and Ingerman Affordable Housing, Inc. are the sponsors of the development. The complex will be located at 20 Patrick Henry Lane in Milford, Kent County, Delaware. One hundred percent of the units will be leased to families whose income is 60% or less of area median income. DCIC will provide financing in the amount of \$1,500,000 upon completion of construction.

**HOUSING LOAN AND EQUITY INVESTMENT SUMMARY**  
**CLOSED AND COMMITTED 1994 - 2005**

DEVELOPMENTS	LOCATION	UNITS	LOAN AMOUNT	GROSS EQUITY	YEAR CLOSED
Valley Run Apartments	Milford	72	\$ 728,900	\$ 2,577,530	1994
Willis Road Commons	Dover	17	\$ 284,000	\$ 781,210	1994
West Quaker Hill Apartments	Wilmington	50	\$ 1,085,000		1994
River Chase Apartments	Dover	78	\$ 1,324,825		1995
Christiana Farms Apartments I	Newark	72	\$ 1,364,200	\$ 2,861,361	1995
East Lake Gardens Apartments	Dover	48	\$ 653,000		1995
Liberty Knoll Apartments	New Castle	71	\$ 1,225,000		1995
East Atlantic Apartments I	Rehoboth	70	\$ 451,423	\$ 2,520,594	1995
Generals Greene Phase IV	Dover	54	\$ 779,000	\$ 1,929,305	1995
Delmar Crossing Apartments	Delmar	81	\$ 720,000		1996
East Atlantic Apartments II	Rehoboth	24	\$ 177,500	\$ 687,034	1996
Woodland Mills Apartments	Seaford	66	\$ 646,000	\$ 1,971,530	1996
Milton Landing Apartments	Milton	48	\$ 304,000	\$ 1,110,121	1997
Willow Chase Apartments	New Castle	81	\$ 1,730,000		1997
Savannah West Apartments	Lewes	48	\$ 235,000	\$ 1,975,953	1997
Smyrna Gardens Apartments	Smyrna	72	\$ 924,000		1997
Williamsburg Manor	Seaford	26		\$ 1,095,340	1997
Fairfield Commons Apartments	Middletown	81	\$ 1,426,000		1997
Greenlawn Apartments	Middletown	70	\$ 1,762,000		1998
Ingleside Care Center	Hockessin	171	\$ 2,001,214		1998
Woodland Mills II Apartments	Seaford	32		\$ 1,711,851	1998
Coachman's Manor Apartments	New Castle	112	\$ 2,135,000	\$ 3,524,552	1998
Kent Apartments	Dover	23	\$ 343,000		1998
Christiana Farms Apartments II	Newark	18	\$ 377,680	\$ 797,652	1998
Cheer Apartments	Georgetown	60	\$ 255,000	\$ 1,625,967	1998
Persimmon Tree Apartments	Dover	95	\$ 1,314,350		1999
West Street Manor Apartments	Harrington	28		\$ 752,903	1999
Luther Gardens Apartments	Milton	18		\$ 1,252,058	1999
Courts of Greenwood	Greenwood	80	\$ 3,570,000		1999
ARC Group Homes	Statewide	20	\$ 778,750		2000
Owens Manor Apartments	Dover	60	\$ 1,532,953	\$ 2,488,826	2000
Mills Landing Apartments	Lewes	24		\$ 2,177,815	2000
Luther Gardens Annex	Milton	18		\$ 1,546,200	2000
Yorktowne Woods Apartments	Seaford	35		\$ 1,595,847	2000
Cynwyd Club Apartments	Wilmington	130	\$ 2,735,000	\$ 7,453,482	2000
Marshall Manor Apartments	Milford	36		\$ 2,185,043	2001
Savannah East Apartments	Lewes	72	\$ 800,000	\$ 5,253,769	2001
Quaker Village Apartments	Wilmington	44	\$ 2,550,000		2001
Windsor Apartments	Wilmington	169	\$ 5,680,000	\$ 5,096,722	2001
Christiana Farms Apartments III	Newark	18	\$ 561,618		2002
Clearfield Apartments	Dover	95	\$ 1,062,000		2002
Long Neck Apartments	Long Neck	60	\$ 1,114,000	\$ 4,375,934	2002
Ships Tavern Mews	Wilmington	83		\$ 10,821,401	2002
Harbour Towne Apartments	Lewes	40		\$ 1,830,712	2002
Farrand Village Apartments	Wilmington	165	\$ 4,315,537	\$ 6,644,296	2002
Lingo Creek Apartments	Millsboro	72	\$ 1,529,000	\$ 4,347,701	2002
Rodney Court Apartments	Wilmington	50	\$ 501,800		2003
Quaker Towne Apartments	Wilmington	50	\$ 1,920,000		2003
601 North Market Street - Bromberg	Wilmington	1	\$ 200,000		2003
River Commons Apartments	Wilmington	116	\$ 3,200,000	\$ 4,706,771	2003
Central YMCA	Wilmington	180		\$ 11,258,310	2003
ARC Group Homes II	Statewide	44	\$ 1,347,115		2003
Elizabeth Cornish Landing Apartments	Bridgeville	12		\$ 663,358	2003
Princeton Apartments	Wilmington	27	\$ 1,032,000		2003
West Court Apartments	Wilmington	78	\$ 2,924,000	\$ 5,280,557	2004
The Lorelton Senior Apartments	Wilmington	86	\$ 3,792,950		2005
Spencer Apartments	New Castle	72	\$ 4,220,000	\$ 3,020,280	2005
Chandler Heights	Seaford	88	\$ 1,518,500	\$ 5,281,173	2005
West Quaker Hill Apartments	Wilmington	53	\$ 1,575,000	\$ 5,293,659	2005
The Courtyard	Wilmington	16	\$ 960,000		
Colony South	Milford	78	\$ 1,500,000		
Lafayette Court	Wilmington	18	\$ 400,000		
Brightway Commons	Milford	80	\$ 1,458,145		
Victoria Mews	Newark	103	\$ 5,079,379		
Seaford Meadows	Seaford	121	\$ 4,640,000		
Madison Gardens	Wilmington	18	\$ 600,000		
Overlook Colony Apartments	Claymont	35	\$ 896,000		
		4233	\$ 86,239,839	\$ 118,496,817	



Kuumba Academy Charter School, Wilmington, DE



West Court Apartments, Wilmington, DE

## COMMUNITY INVESTMENT LOAN SUMMARY CLOSED AND COMMITTED 1994 - 2005

DEVELOPMENTS	LOCATION	DESCRIPTION	LOAN AMOUNT	YEAR CLOSED
Smalls Stepping Stone Day Care	Wilmington	Day Care Center - 250 Children	\$805,000	1998
Thomas A. Edison Charter School	Wilmington	Charter School - 845 Students	\$3,037,000	2000
Downtown Visions	Wilmington	Administrative Headquarters	\$637,500	2000
Delaware State Bar Association	Wilmington	Administrative Office	\$1,155,000	2000
Kingswood Community Center	Wilmington	Community Center	\$686,000	2003
Wilmington Head Start	Wilmington	Head Start Program	\$525,000	2003
Henrietta Johnson Medical Center	Wilmington	Community Medical Center	\$635,500	2003
Marion T. Academy	Wilmington	Charter School - 616 Students	\$2,800,000	2004
Kuumba Academy	Wilmington	Charter School - 250 Students	\$2,140,000	2005
			<u>\$12,421,000</u>	



(Before) Chandler Apartments, Seaford, DE



(After) Chandler Apartments, Seaford, DE

## URBAN RENEWAL LOAN SUMMARY 1994 - 2005

DEVELOPMENTS	LOCATION	DESCRIPTION	LOAN AMOUNT	YEAR CLOSED
Ships Tavern District - Phase I	Wilmington	Property Acquisition	\$85,000	1999
Ships Tavern District - Phase I	Wilmington	Property Acquisition	\$700,000	1999
Ships Tavern District - Phase I	Wilmington	Property Acquisition	\$1,591,000	2000
Ships Tavern District - Phase II	Wilmington	Property Acquisition	\$491,200	2000
Milton Theater	Wilmington	Property Acquisition	\$104,000	2000
Visitors Center	Wilmington	Property Acquisition	\$100,000	2000
Cedar Creek Landing	Wilmington	Land Acquisition	\$623,200	2001
Schwartz Center for the Arts	Wilmington	Bridge Financing	\$2,600,000	2002
Ships Tavern Mews	Wilmington	Acquisition	\$4,250,000	2002
DE Center for Contemporary Arts	Wilmington	Bridge Financing	\$2,058,084	2003
			<u>\$12,602,484</u>	



## Finances of the Corporation

The Corporation was structured to be self-supporting, covering expenses with revenue from its loan and equity programs. Beginning with its first year of operation, the Corporation has completed each year with a surplus of revenue over expenses. The attached consolidated financial statements provide details of the Corporation's financial position.

## Independent Auditors' Report

To the Board of Directors  
Delaware Community Investment Corporation and subsidiary

We have audited the accompanying consolidated statement of financial position of Delaware Community Investment Corporation and subsidiary as of December 31, 2005 and 2004, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delaware Community Investment Corporation and subsidiary as of December 31, 2005 and 2004, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

January 19, 2006

*Gunnip & Company*

## DCIC Board of Directors for 2005



**Pictured from left to right, front row:** Ronald Dutton Wachovia Corporation; Felonise Norwood, Delaware National Bank; Beryl Barmore, Wilmington Trust Company; Donna Mitchell, Deutsche Bank and Trust Company, Delaware; Norma Zumsteg, PNC Bank, Delaware; James Ladio, Artisans' Bank; H. Thomas Hannagan, Jr., The Puccini/Pollin Group, Inc.

**Back row:** Peggy Strine, Citizens Bank (DE), NA.; Robert Rossiter, AIG Federal Savings Bank; David Bakerian, Delaware Bankers Association; Michael Skipper, Wilmington Savings Fund Society; James Headly, Jr.; Terri Hasson, Citibank Delaware.

**Not pictured:** Albert Celini, GMAC Bank; Anne Diedrick, JPMorgan Chase Bank; Clinton Walker, Juniper Bank.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEARS ENDING DECEMBER 31, 2005 AND 2004**

<b>ASSETS</b>		
	<b>2005</b>	<b>2004</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 92,417	\$ 505,561
Accounts receivable	200	192
Prepaid expenses	6,708	7,375
Prepaid and recoverable income taxes	0	170,580
Investments	5,152,242	4,094,932
Loans receivable	<u>1,942,346</u>	<u>4,225,856</u>
Total current assets	<u>7,193,913</u>	<u>9,004,496</u>
NOTE RECEIVABLE - RELATED PARTY	309,000	300,000
LOANS RECEIVABLE	68,713,480	62,880,942
FURNITURE, FIXTURES AND EQUIPMENT, NET	14,937	14,715
OTHER ASSET	<u>4,955</u>	<u>4,955</u>
	<u>\$ 76,236,285</u>	<u>\$ 72,205,108</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 1,942,346	\$ 4,475,856
Accounts payable	120	0
Federal and state income taxes payable	<u>130,605</u>	<u>0</u>
Total current liabilities	<u>2,073,071</u>	<u>4,475,856</u>
NOTES PAYABLE	<u>68,713,480</u>	<u>62,880,942</u>
Total liabilities	<u>70,786,551</u>	<u>67,356,798</u>
<b>NET ASSETS</b>		
<b>NET ASSETS</b>		
Unrestricted	<u>5,449,734</u>	<u>4,848,310</u>
	<u>\$ 76,236,285</u>	<u>\$ 72,205,108</u>

**CONSOLIDATED STATEMENT OF ACTIVITIES FOR  
THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<b>2005</b>	<b>2004</b>
<b>SUPPORT AND REVENUE</b>		
Membership contributions	\$ 6,250	\$ 5,000
Fees, including interest income and service fees of \$ 4,021,508 (\$ 3,550,147 in 2004) net of interest expense of \$ 3,864,948 (\$ 3,412,642 in 2004)	1,135,280	899,610
Realized gain on sale of securities	126,895	149,558
Unrealized gain (loss) on investments	(36,224)	172,810
Interest and dividends	214,715	117,696
Gain on disposal of equipment	1,250	0
Miscellaneous	<u>500</u>	<u>500</u>
Total support and revenue	<u>1,448,666</u>	<u>1,345,174</u>
<b>OPERATING EXPENSES</b>		
Program services	662,208	837,018
Supporting services	<u>59,970</u>	<u>95,735</u>
Total operating expenses	<u>722,178</u>	<u>932,753</u>
<b>INCREASE IN NET ASSETS BEFORE TAXES</b>	<u>726,488</u>	<u>412,421</u>

PROVISION (CREDIT) FOR INCOME TAXES	<u>204,676</u>	<u>(86,263)</u>
<b>INCREASE IN NET ASSETS</b>	<u>521,812</u>	<u>498,684</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>4,848,310</u>	<u>4,351,294</u>
<b>INCREASE (DECREASE) IN OTHER COMPREHENSIVE INCOME</b>	<u>79,612</u>	<u>(1,668)</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 5,449,734</u>	<u>\$ 4,848,310</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<b>2005</b>	<b>2004</b>
<b>OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 521,812	\$ 498,684
Noncash items		
Depreciation expense	4,679	4,669
Gain on disposal of equipment	(1,250)	0
Non cash contribution	1,250	0
Accrued interest on note receivable - related party	(9,000)	0
Net unrealized (gain) loss on investments	36,224	(172,810)
Net realized gain on sale of securities	(126,895)	(149,558)
Net change in accounts receivable	(9)	45,703
Net change in prepaid expenses	667	(133)
Net change in prepaid and recoverable income taxes	170,580	9,680
Net change in income taxes payable	130,605	0
Net change in accounts payable	<u>120</u>	<u>(28,930)</u>
Net cash flow from operating activities	<u>728,783</u>	<u>207,305</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of investments	(2,077,418)	(3,786,128)
Investment proceeds	1,190,391	3,919,665
Purchase of furniture, fixtures and equipment	(4,900)	(7,949)
Addition of note receivable	0	(300,000)
Addition of loans receivable	(9,132,950)	(9,676,537)
Collection of loans receivable	<u>5,583,922</u>	<u>3,132,323</u>
Net cash flow used by investing activities	<u>(4,440,955)</u>	<u>(6,718,626)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	9,132,950	9,676,537
Payment of debt	<u>(5,833,922)</u>	<u>(2,882,323)</u>
Net cash flow from financing activities	<u>3,299,028</u>	<u>6,794,214</u>
<b>NET CHANGE IN CASH</b>	<u>(413,144)</u>	<u>282,893</u>
<b>CASH, BEGINNING OF YEAR</b>	<u>505,561</u>	<u>222,668</u>
<b>CASH, END OF YEAR</b>	<u>\$ 92,417</u>	<u>\$ 505,561</u>
<b>CASH PAID FOR</b>		
Interest	<u>\$ 3,864,948</u>	<u>\$ 3,412,642</u>
Income taxes	<u>\$ 5,671</u>	<u>\$ 33,614</u>
<b>SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Accrued interest on note receivable - related party	<u>\$ 9,000</u>	<u>None</u>
Non cash donation of equipment	<u>\$ 1,250</u>	<u>None</u>

# Notes to Consolidated Financial Statements

## **Note 1** Summary of Organization activities and significant accounting policies

### Organization activities

The Delaware Community Investment Corporation ("the Organization") is a multibank community development corporation whose purpose is to serve as a vehicle for community revitalization through the financing of and investment in housing and related activities designed to address the needs of low to moderate income persons and areas, and to aggregate and coordinate the use of public and private resources to improve and expand community development throughout Delaware.

DCIC Equity Fund, Inc. ("the Fund") is a wholly owned subsidiary of the Organization. It was incorporated as a for-profit corporation in the State of Delaware in November 1993. It is a co-general partner in the Delaware Equity Fund for Housing, L.P. I. The Fund established Delaware Equity Fund for Housing, L.P. II in 1996. Delaware Equity Fund for Housing, L.P. III was established in 1999. Delaware Equity Fund for Housing, L.P. IV was established in 2000. The Fund established the Delaware Equity Fund for Housing, L.P. V in 2001 and the Delaware Equity Fund for Housing, L.P. VI in 2004. The Fund acts as the general partner for all Funds. They were formed to provide equity investment in low-income housing projects which qualify for the federal low-income housing tax credit and for state and federal historic tax credits. Equity fund investors receive current tax benefits in the form of tax credits.

DCIC New Markets, LLC ("the LLC") is a Delaware limited liability company, formed in July 2003, to originate loans to qualified borrowers in low income communities in the State of Delaware. Investors in the LLC are eligible to receive Federal income tax credits under the Federal New Markets Tax Credit Program. The Organization is the managing member of the LLC and currently its sole member at December 31, 2005. It is anticipated that the LLC investors will hold the majority of the membership interest in the LLC by the end of 2007, at which time the Organization will hold only a minority position.

### Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

### Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Organization and its wholly owned subsidiary. Intercompany transactions and balances have been eliminated in consolidation.

### Membership contributions

Membership contributions, whether Class A, B or C, are considered voluntary, nonreciprocal, unconditional transfers of assets to the Organization and are therefore accounted for as support.

### Membership

The member banks are classified as either Class A, B or C members as described below. Their contributions are accounted for as support in the year received. Some banks were issued "common stock" in exchange for their contributions. This "common stock" is merely a term used by the Organization and does not represent an equity interest.

#### *Class A*

This class of membership required a purchase of common stock in the Organization and the execution of an agreement-to-lend to the Organization with a minimum three-year loan commitment of \$100,000. Members in this class were required to purchase stock equal to 5 percent of their long-term loan commitment and were considered the stockholders and founding institutions. Ownership percentage was based on each institution's pro rata share of the total stock purchase. The Class A enrollment period closed in November 1993. Class A members are required to participate in every housing loan funded by the Organization in an amount that reflects that institution's percent of the total loan pool.

If an institution would have been prohibited by charter from purchasing stock in the Organization, it would have been admitted as a member under Class B, as described below, but would have contributed to operating capital at the same percentage (5 percent) as Class A members.

#### *Class B*

Members who join the Organization after the initial enrollment period are also required to execute an agreement-to-lend with a minimum three-year loan commitment of \$100,000 and are required to make an operating capital contribution equal to 5 percent of their long-term commitment. Class B members are required to participate in every housing loan funded by the Organization in an amount that reflects that institution's percent of the total loan pool. Class B members are nonvoting members. Class B membership enrollment is open for a one-month period each year, which is determined by the Organization's board of directors.

#### *Class C*

This class of membership is open to those banks that wish to contribute to the operating costs of the Organization but do not wish to participate in the loan pool program. A minimum annual contribution of \$5,000 is required for Class C membership. There were no Class C members at December 31, 2005 or December 31, 2004.

### Syndication fees

The Fund's syndication fees with respect to Delaware Equity Fund for Housing, L.P. I included an acquisition fee and an origination fee which total 4% of the gross investment proceeds. The Delaware Equity Fund for Housing, L.P. II received from the Fund an acquisition fee ranging from 3.9% to 4.5% of gross investment proceeds. The Delaware Equity Fund for Housing, L.P. III and The Delaware Equity Fund for Housing, L.P. IV received from the Fund an acquisition fee of 6% of gross investment proceeds less fees paid to outside consultants. The Delaware Equity Fund for Housing, L.P. V and L.P. VI receive from the Fund an acquisition fee of 5% of gross investment proceeds less fees paid to outside consultants. The fees are earned upon project closings, unless otherwise stated in the investment partnership agreement.



#### Loan fees

The Organization's loan fees are calculated as a percent of the loan origination proceeds. These fees are nonrefundable and not contingent on repayment by borrowers or repayment to participating banks. These fees are recognized as income when the loans are made.

#### Service fee

The Organization earns a service fee of .25% on the outstanding principal balance of the loans receivable.

#### Organization fee

The Organization earned organization fees in 2004 in connection with the creation of DCIC New Markets, LLC.

#### Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Fund is taxed as a corporation for both federal and state purposes.

#### Cash equivalents

Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

#### Investments

The Board of Directors agreed to retain the services of Wilmington Trust as the investment manager of the Organization's funds. These investments are comprised of securities, mutual funds and short-term investments. Investments are carried at fair value. Fair value is determined based upon the quoted market price of each security.

#### Depreciation

Depreciation is computed over the estimated useful lives of furniture, fixtures and equipment using the straight-line method. The annual depreciation rates are based on the following ranges of useful lives:

Furniture and fixtures	7 years
Equipment	5-7 years

Normal repairs and maintenance are charged to income as incurred.

#### **Note 2** Membership contributions

Membership contributions during the years ended December 31 consisted of the following:

	<b>2005</b>	<b>2004</b>
Class B	\$ 6,250	\$ 5,000

#### **Note 3** Fees

Fees earned during the years ended December 31 consisted of the following:

	<b>2005</b>	<b>2004</b>
Loan origination	\$ 53,664	\$ 65,574
Application	4,500	4,500
Commitment	104,024	92,540
Extension fees	2,240	8,000
Late fees	706	1,063
Organization	0	250,000
Interest income and service fees, net of interest expense of \$ 3,864,948 in 2005 and \$ 3,412,642 in 2004	156,560	137,504
Syndication	813,586	340,429
	<u>\$ 1,135,280</u>	<u>\$ 899,610</u>

#### **Note 4** Accounts receivable

Accounts receivable consisted of the following at December 31:

	<b>2005</b>	<b>2004</b>
Accounts receivable - fees	<u>\$ 200</u>	<u>\$ 192</u>

#### **Note 5** Loans receivable

The loans receivable balance represents loans to developers funded by the loan pool of the Organization's member banks. The maturity of the loans receivable balance corresponds to the notes payable schedule of maturity.

Loan proceeds and payments pass through the Organization to member banks. A loan loss reserve would be recorded by the member banks, if necessary.

#### **Note 6** Investments

Investments are summarized as follows:

December 31, 2005				
	Cost	Unrealized Gain	Unrealized Loss	Market Value
Short-term investments	\$ 583,806	\$ 0	\$ 0	\$ 583,806
Equity mutual funds	2,163,135	525,584	0	2,688,719
Bond mutual funds	1,167,146	0	(27,212)	1,139,934
Equity securities	<u>666,747</u>	<u>92,121</u>	<u>(19,085)</u>	<u>739,783</u>
	<u>\$ 4,580,834</u>	<u>\$ 617,705</u>	<u>\$ (46,297)</u>	<u>\$ 5,152,242</u>
December 31, 2004				
	Cost	Unrealized Gain	Unrealized Loss	Market Value
Short-term investments	\$ 109,834	\$ 0	\$ 0	\$ 109,834
Equity mutual funds	1,894,472	382,910	0	2,277,382
Bond mutual funds	1,011,728	6,833	(4,649)	1,013,912
Equity securities	<u>552,281</u>	<u>150,189</u>	<u>(8,666)</u>	<u>693,804</u>
	<u>\$ 3,568,315</u>	<u>\$ 539,932</u>	<u>\$ (13,315)</u>	<u>\$ 4,094,932</u>

The net unrealized loss of \$36,224 included in the statement of activities represents the change in the value of the Organization's investments during the year ended December 31, 2005.

The increase in other comprehensive income of \$79,612 included in the statement of activities represents the change in net unrealized gain in the Fund's investments during the year ended December 31, 2005. The Fund's net unrealized gains at December 31, 2005 were \$225,692 (\$146,080 at December 31, 2004).

Gross realized gains and (losses) on sales of securities available for sale were \$159,441 and \$(32,546) respectively in 2005, and \$241,055 and \$(91,497) respectively in 2004.

#### **Note 7** Furniture, fixtures and equipment

Furniture, fixtures and equipment consisted of the following at December 31:

	<b>2005</b>	<b>2004</b>
Furniture and fixtures	\$ 12,380	\$ 12,380
Equipment	<u>37,165</u>	<u>51,358</u>
	49,545	63,738
Less accumulated depreciation	<u>34,608</u>	<u>49,023</u>
	<u>\$ 14,937</u>	<u>\$ 14,715</u>

## **Note 8** Notes payable

The notes payable balance at December 31, 2005 and 2004, consisted of advances against master notes from the member banks participating in Housing Loan Funds I, II and III, Community Investment Loan Funds I and II, and Urban Renewal Loan Funds I and II. The total advances of \$85,411,101 at December 31, 2005 (\$76,278,151 in 2004), represent 52 closed loans with a balance of \$70,655,826 at December 31, 2005 (\$67,356,798 in 2004). Total amount of interest expense for the year ended December 31, 2005 was \$3,864,948 (\$3,412,642 in 2004).

Notes payable consisted of the following as of December 31:

	2005	2004
Notes payable with monthly installments that total \$ 443,578 including interest that ranges from 4.51% to 8.78% less .25% of 1% of the declining principal balance, maturity dates range from February 2006 to July 2033.	\$ 70,655,826	\$ 67,356,798
Less current maturities	<u>1,942,346</u>	<u>4,475,856</u>
	<u>\$ 68,713,480</u>	<u>\$ 62,880,942</u>

Following is the maturity of the notes payable for each of the next five years:

2006	\$ 1,942,346
2007	\$ 3,965,838
2008	\$ 1,928,994
2009	\$ 2,051,353
2010	\$ 2,135,479

## **Note 9** Loan Pool, Commitments to Lend and Bond Program

Commitments to Housing Loan Fund I totaled \$23,559,878 at December 31, 2005 and 2004 with 23 loans closed in the amount of \$23,559,878 as of December 31, 2005 and 2004. Commitments to Housing Loan Fund II totaled \$30,450,822 at December 31, 2005 and 2004. Sixteen loans totaling \$30,450,822 were closed as of December 31, 2005 and fourteen loans totaling \$23,457,872 were closed as of December 31, 2004. Outstanding commitments at December 31, 2005 totaled \$0 and \$6,992,950 for two loans at 2004. The uncommitted balance at December 31, 2005 and 2004 was \$0. Commitments to Housing Loan Fund III totaled \$25,850,000 at December 31, 2005 and \$23,650,000 at December 31, 2004. Three loans totaling \$3,908,115 were closed as of December 31, 2005, and 2004, with outstanding commitments of \$21,131,024 for eleven loans at December 31, 2005 and \$12,269,500 for eight loans at December 31, 2004. The uncommitted balance at December 31, 2005 was \$810,861 and \$7,472,385 at December 31, 2004. Commitments to Housing Loan Fund IV totaled \$19,950,000 at December 31, 2005 and \$0 at December 31, 2004. No loans were closed as of December 31, 2005, and 2004, with outstanding commitments of \$4,640,000 for one loan at December 31, 2005 and \$0 at December 31, 2004. The uncommitted balance at December 31, 2005 was \$15,310,000 and \$0 at December 31, 2004.

Commitments to the Community Investment Loan Fund I at December 31, 2005 and 2004 were \$9,115,208. Seven loans totaling \$7,481,000 had closed as of December 31, 2005 and 2004. Outstanding commitments at December 31, 2005 and 2004 totaled \$0. Uncommitted at December 31, 2005 and 2004 was \$1,634,208. Commitments to the Community Investment Loan Fund II were \$6,750,000 at December 31, 2005 and \$6,500,000 at December 31, 2004. Two loans totaling \$4,940,000 had closed as of December 31, 2005 and one loan had closed as of December 31, 2004 in the amount of \$2,800,000. There were no outstanding commitments at December 31, 2005 and one outstanding commitment in the amount of \$2,140,000 at December 31, 2004. The uncommitted balance was \$1,810,000 at December 31, 2005 and \$1,560,000 at December 31, 2004.

Commitments to the Urban Renewal Loan Fund totaled \$10,544,400 at December 31, 2005 and 2004 with nine loans closed in the amount of \$10,544,400 in 2005 and 2004. There were no outstanding commitments at December 31, 2005 and 2004. Commitments to Urban Renewal Loan Fund II totaled \$6,750,000 at December 31, 2005 and 2004. There was one loan closed for \$2,058,064 at December 31, 2005 and 2004. There were no outstanding commitments at December 31, 2005 and 2004. Uncommitted balance at December 31, 2005 and 2004 was \$4,691,916. The Company purchased \$2,550,000 of bonds for a Multifamily Tax-exempt Bond Program in 2001 and no funds remain in that program.

## **Note 10** Lease commitments

Total rent expense for 2005 and 2004 was \$65,936 and \$63,450 respectively. The Organization signed a new office lease in 2002 and paid a refundable security deposit of \$4,955. The new lease expires on November 30, 2007, and may be renewed for another five-year period at that time. In addition the organization signed a new operating lease for a copier in 2005. The new lease expires in March 2011.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2005 for the remaining terms and in the aggregate are:

2006	\$ 44,383
2007	42,457
2008	2,236
2009	2,236
2010	2,236
Thereafter	559
Total	<u>\$ 94,107</u>

## **Note 11** Pension plan

The Organization adopted a simplified employee pension plan (SEP) pursuant to Section 408(k) of the Internal Revenue Code. The plan covers all employees who are 21 years old or older and have completed one year of service. The Organization contributes 6% of employees' gross salary to the plan; however, the board of directors may change this amount. The Organization's contribution for 2005 was \$19,074 (2004 - \$21,167).

## **Note 12** Concentrations of credit risk

Financial instruments which potentially subject the Organization to significant concentrations of credit risk are principally cash and investments.

Cash deposits are maintained in highly rated financial institutions within the Organization's operating area. These institutions are monitored by management to minimize its credit risk. The maximum loss that would have resulted from that risk totaled \$138,385 at December 31, 2005 (\$561,377 at December 31, 2004), which represents the excess of the deposit liabilities reported by the institutions over the amounts that would have been covered by federal insurance.

Investments are managed by professional advisors subject to the Organization's investment policy. The degree and concentration of credit risk vary by type of investment.

## **Note 13** Income taxes

The provision for income taxes consisted of the following for the years ended December 31:

	2005	2004
Current income tax expense/(benefit)		
Federal	\$ 159,623	\$ (67,706)
State	45,053	(18,557)
	<u>\$ 204,676</u>	<u>\$ (86,263)</u>

The Fund is taxed as a C corporation for federal and state income tax purposes. The provision for income taxes is calculated by applying federal and state statutory rates.

## **Note 14** Related party transactions

### Note receivable

On December 30, 2004, DCIC Equity Fund, Inc., executed a note receivable for \$300,000 with DCIC New Markets, LLC. The note bears interest at 3.0% per annum until paid. Principal and accrued interest are due and payable on December 30, 2007. The balance of this note, including accrued interest, was \$309,000 at December 31, 2005 (\$300,000 at December 31, 2004).

### Income

During 2005, the Organization received \$ 9,000 of interest income from DCIC New Markets, LLC (\$ 0 for 2004).

During 2004, the Organization received \$ 300,000 in syndication and other fees from DCIC New Markets, LLC.



## Delaware Community Investment Corporation 2005 Membership - Program Participation

Investors	Equity Fund I	Equity Fund II	Equity Fund III	Equity Fund IV	Equity Fund V	Equity Fund VI	HLF I	HLF II	HLF III	HLF IV	CILF I	CILF II	TEBP	URLF I	URLF II	NMTC	Total
Advanta Corporation	\$ 1,000,000	\$ 625,000					\$1,500,000	\$ 601,988			\$ 164,494			\$ 181,339			\$ 1,970,833
Advanta National Bank, USA		625,000						1,000,000	\$1,000,000	\$1,000,000							2,726,988
AIG Federal Savings Bank					\$2,000,000		1,000,000										5,000,000
Allfirst Financial Bank	1,000,000	500,000					3,000,000	978,079									3,478,079
American Express Centurion Bank	450,000						600,000	500,000	600,000	250,000		\$250,000		250,000	\$250,000	\$250,000	3,450,000
Artisans' Bank							100,000	250,000	250,000				\$250,000	250,000			2,950,000
Mercantile Peninsula Bank							500,000	500,000	500,000								1,500,000
Bank of America		500,000					345,000	1,350,364	2,000,000		24,102			250,000			3,969,466
Bank of New York		250,000									250,000			250,000			500,000
Christiana Bank & Trust Company							1,500,000	2,750,000		2,000,000	500,000	750,000		250,000			12,750,000
Citibank Delaware	500,000	500,000	\$2,000,000		4,000,000												2,000,000
Citibank F.S.B.																	
Citicorp Trust Bank, fsb				5,000,000	4,000,000	\$6,000,000			2,000,000		250,000			425,000		1,500,000	19,175,000
Citicorp USA, Inc.										3,000,000							3,000,000
Citizens Bank						500,000	1,000,000	3,500,000		1,500,000					500,000	500,000	7,500,000
Commerce Bancorp, Inc.						1,500,000	150,000	150,000	500,000	700,000					500,000		3,850,000
County Bank			500,000	1,000,000	1,000,000		1,000,000	100,000	250,000	1,000,000	250,000			250,000			6,550,000
Cross Country Bank						500,000	250,000	169,569			250,000						850,000
Crown Bank, FSB				500,000	2,000,000			100,000		100,000				250,000			669,569
Delaware National Bank/Fulton Financial																	2,700,000
Delaware Sterling Bank & Trust												250,000					250,000
Discover Bank				1,000,000	8,000,000				3,000,000								11,000,000
Deutsche Bank Trust Company Delaware	500,000	500,000			2,000,000	500,000	1,500,000	2,000,000	750,000		250,000	500,000	200,000	500,000	500,000	750,000	11,450,000
Fannie Mae (non-member)	1,000,000																1,000,000
First Bank of Delaware							100,000	100,000	100,000	100,000							200,000
First National Bank of Wyoming							100,000										500,000
Fleet Bank (Delaware)	250,000																350,000
GMAC Bank									1,200,000								1,700,000
HSBC Bank, USA National Association				500,000		1,000,000	250,000				417,157				250,000		3,167,157
JLB Service Bank								100,000									100,000
JPMorgan Chase Bank, N.A.	1,150,000	5,750,000	9,000,000	7,000,000	16,000,000	6,000,000	2,850,000	6,100,000	4,900,000	3,000,000	2,750,000	1,000,000	1,350,000	1,000,000			67,850,000
Juniper Bank									300,000	250,000		200,000				250,000	1,000,000
MBNA America Bank, N.A.	1,760,000	3,000,000	3,000,000	5,000,000	6,000,000	4,000,000	600,000	3,000,000	3,000,000	3,000,000	1,250,000	1,500,000	250,000	3,000,000	2,000,000	1,000,000	41,360,000
MBNA America Bank (Delaware), N.A.			1,000,000	1,000,000	2,000,000	3,000,000		1,000,000	1,000,000	1,000,000	750,000	1,000,000		1,124,891	2,000,000	1,750,000	16,624,891
Mellon Bank	450,000		500,000	500,000		500,000			250,000				500,000				2,700,000
PNC Bank, Delaware			1,000,000	2,000,000	500,000	4,500,000	1,750,000	1,500,000	1,750,000	500,000	250,000	250,000		250,000			14,250,000
Sovereign Bank											159,455						159,455
Sun National Bank, DE	1,350,000	1,000,000					750,000	750,000	500,000		350,000	250,000					2,500,000
Wachovia Bank of Delaware	250,000			500,000			2,300,000	450,000						750,000			6,700,000
Wilmington Savings Fund Society							1,500,000	1,500,000	500,000	250,000	1,000,000	250,000		750,000		1,000,000	7,000,000
Wilmington Trust Company	1,010,000	1,250,000	2,000,000	2,000,000	3,000,000	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000		300,000		563,170		1,500,000	20,623,170
<b>TOTAL</b>	<b>\$10,670,000</b>	<b>\$14,500,000</b>	<b>\$19,000,000</b>	<b>\$26,000,000</b>	<b>\$50,500,000</b>	<b>\$30,000,000</b>	<b>\$23,645,000</b>	<b>\$30,600,000</b>	<b>\$25,850,000</b>	<b>\$19,950,000</b>	<b>\$9,115,208</b>	<b>\$6,750,000</b>	<b>\$2,550,000</b>	<b>\$10,544,400</b>	<b>\$6,750,000</b>	<b>\$10,000,000</b>	<b>\$296,424,607</b>

HLF - Housing Loan Fund

CILF - Community Investment Loan Fund

TEBP - Tax Exempt Bond Program

URLF - Urban Renewal Loan Fund

NMTC - New Markets Tax Credit Program

# 2005 Delaware Community Investment Corporation Board and Committees

## BOARD OF DIRECTORS

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Robert Rossiter, AIG Federal Savings Bank (Vice Chair)\*  
David Bakerian, Delaware Bankers Association  
Beryl A. Barmore, Wilmington Trust Company  
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Anne Diedrick, JPMorgan Chase Bank  
Ronald Dutton, Wachovia Corporation  
Terri Hasson, Citibank Delaware  
James G. Headley\*

H. Thomas Hannagan Jr., Buccini/Pollin Group Inc.  
Donna Mitchell, Deutsche Bank Trust Company DE\*  
Felonise E. Norwood, Delaware National Bank  
Michael Skipper, WSFS  
Peggy Strine, Citizens Bank  
Clinton W. Walker, Juniper Bank\*  
Norma Zumsteg, PNC Bank

\*Executive Committee

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Ronald Dutton, Wachovia Bank  
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Norma Zumsteg, PNC Bank

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Glenn Sharpe, Citicorp North America

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Norma Zumsteg, PNC Bank

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Hughlett Kirby, Wilmington Trust Company  
Ann Rudolph, WSFS  
David Watson, JPMorgan Chase Bank

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Ronald Dutton, Wachovia Corporation  
Peggy Strine, Citizens Bank

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James G. Headley  
Lolita A. Lopez, Westside Health, Inc.  
Reverend John Ranney, Pastor  
James Walker, ESIC  
Martha Morgan, Morgan's of Delaware Avenue  
Robert Rossiter, AIG Federal Savings Bank  
Clinton W. Walker, Juniper Bank  
Karen Kollias, NCALL Research, Inc.

## NEW MARKET TAX CREDIT LOAN COMMITTEE

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Jeremy Abelson, Wilmington Trust Co.  
J. Douglas Hazelton, MBNA America Bank  
Glenn Sharpe, Citicorp North America  
Phyllis Wilhelm, Artisans' Bank

## NOMINATING COMMITTEE

Terri Hasson, Citibank Delaware (Chair)  
Beryl Barmore, Wilmington Trust Company  
Felonise E. Norwood, Delaware National Bank

## PERSONNEL COMMITTEE

Beryl A. Barmore, Wilmington Trust Company (Chair)  
Ronald Dutton, Wachovia Corporation  
Terri Hasson, Citibank Delaware

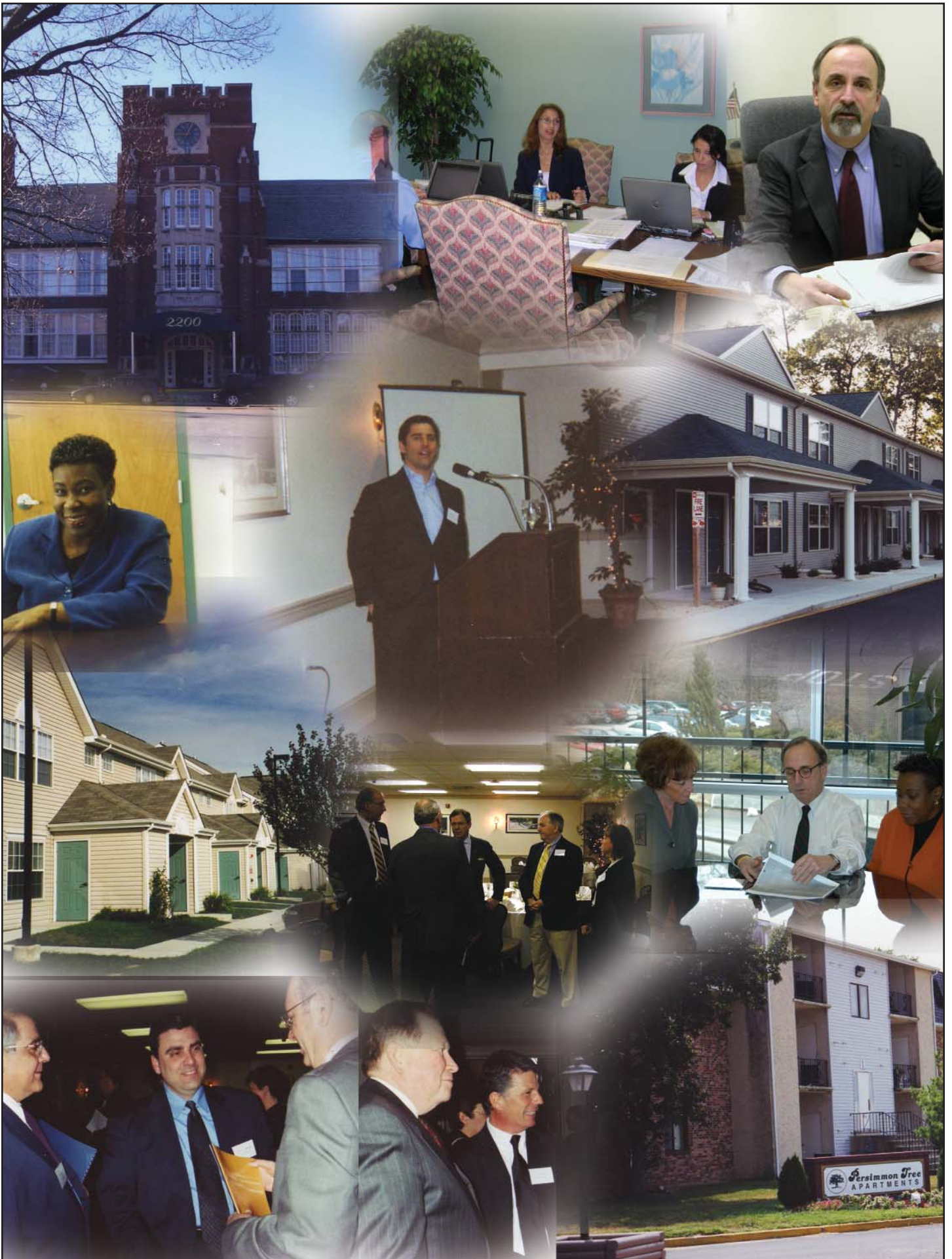
## PLANNING COMMITTEE

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David Bakerian, Delaware Bankers Association  
Beryl A. Barmore, Wilmington Trust Company  
Anne Diedrick, JPMorgan Chase Bank  
Peggy Strine, Citizens Bank

## URBAN RENEWAL LOAN FUND COMMITTEE

Donna Mitchell, Deutsche Bank Trust Company DE (Chair)  
Albert Celini, GMAC Bank  
Jeff Flanders, Artisans' Bank  
Maribeth Hoffman, Commerce Bank  
Richelle Vible, Citizens Bank







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Carolyn Hanley, Administrative Assistant

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Ramiro Carbonell, Stevens & Lee  
R. John MacKoul, Stevens & Lee

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Gunnip & Company  
Reznick Group

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