Miamisburg Mound
Community Improvement Corporation

Reports on Financial Statements

For the Years Ended
December 31, 2007 and 2006

Kennedy
Cottrell
Richards

Board of Trustees
Miamisburg Mound Community Improvement Corporation
965 Capstone Drive
Building 480
Miamisburg, Ohio 45343

We have reviewed the *Independent Auditor's Report* of the Miamisburg Mound Community Improvement Corporation, Montgomery County, prepared by Kennedy Cottrell Richards LLC, for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Miamisburg Mound Community Improvement Corporation is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 20, 2008

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Miamisburg Mound Community Improvement Corporation
Miamisburg, Ohio

We have audited the accompanying statements of financial position of the Miamisburg Mound Community Improvement Corporation, Montgomery County (the Corporation), as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2007 and 2006, 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 June 30, 2008 on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Corporation taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC
Columbus, Ohio
June 30, 2008

Miamisburg Mound Community Improvement Corporation
(An Ohio Not-for-profit Corporation)
Statement of Financial Position
As of December 31, 2007 and 2006

	2007	2006
Assets		
Cash and cash equivalents	1,556,017	$ 1,056,613
Investments	-	250,000
Prepaid expenses	46,123	36,861
Tenant receivable	46,651	29,104
Deposits	73,137	73,137
Grants receivable	6,624,868	9,406,438
Note receivable	106,106	106,906
Property and equipment, net	13,637,675	12,777,770
Total assets	22,090,577	23,736,829
Liabilities and Net Assets		
Accounts payable	106,414	96,027
Accrued salaries and benefits	125,809	132,176
Accrued expenses	125,558	213,675
Unearned revenue	5,954,205	7,086,497
Total liabilities	6,311,986	7,528,375
Net Assets, unrestricted	15,778,591	16,208,454
Total liabilities and net assets	$ 22,090,577	$ 23,736,829

The notes to the financial statements are an integral part of this statement.

Miamisburg Mound Community Improvement Corporation
(an Ohio Not-for-profit Corporation)
Statement of Activities
For the Years Ended December 31, 2007 and 2006

	2007	2006
Revenues		
Grant revenue	$ 1,527,292	$ 1,289,383
Lease revenue	864,025	975,815
Equipment sales revenue	13,330	56,068
Other revenue	132,688	244,549
Total revenue	2,537,335	2,565,815
Expenses		
Salaries and benefits	511,717	620,848
General and administrative	215,731	209,071
Utilities	213,990	212,910
Consulting and professional	201,826	343,047
Repair and maintenance	494,739	421,636
Depreciation	1,322,064	1,277,471
Other operating expenses	7,131	3,038
Total expenses	2,967,198	3,088,021
Increase (decrease) in net assets	(429,863)	(522,206)
Net assets, beginning of year,	16,208,454	16,730,660
Net assets, end of year	$ 15,778,591	$ 16,208,454

The notes to the financial statements are an integral part of this statement.

Miamisburg Mound Community Improvement Corporation
(An Ohio Not-for-profit Corporation)
Statement of Cash Flows
For the Years Ended December 31, 2007 and 2006

	2007	2006
Cash flows from operating activities		
Change in Net Assets	$ (429,863)	$ (522,206)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,322,064	1,277,471
Changes in assets and liabilities		
(Increase)/decrease in prepaid expenses	(9,261)	(30,516)
(Increase)/decrease in tenant receivable	(17,547)	81,820
(Increase)/decrease in grants receivable	2,781,570	161,916
(Increase)/decrease in equipment held for sale or lease, gross	10,455	(8,448)
Increase/(decrease) in accounts payable	10,388	32,304
Increase/(decrease) in accrued salaries and benefits	(6,368)	(20,059)
Increase/(decrease) in accrued expenses	(88,117)	122,619
Increase/(decrease) in unearned revenue	(1,132,293)	(989,381)
Net cash provided by operating activities	2,441,028	105,520
Cash flows from investing activities		
Purchase of capital assets	(2,190,360)	(1,252,621)
Gain/(Loss) on disposal of capital assets	(2,064)	23,772
Principal receipts on notes receivable	-	108,704
(Purchase)/Sale of investments	250,000	(250,000)
Net cash used in investing activities	(1,942,424)	(1,370,145)
Cash flows from financing activities		
Proceeds from notes payable	800	-
Payments on notes payable	-	(55,595)
Net cash provided (used) by financing activities	800	(55,595)
Net increase (decrease) in Cash	499,404	(1,320,220)
Cash at beginning of year	1,056,613	2,376,833
Cash at end of year	$ 1,556,017	$ 1,056,613
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	$ -	$ 4,115

The notes to the financial statements are an integral part of this statement.

1. Reporting Entity

The Miamisburg Mound Community Improvement Corporation (the Corporation), a nonprofit corporation, was incorporated in April 1994. The purpose of the Corporation is to advance, encourage, and promote the industrial, economic, commercial, and civic development of the City of Miamisburg (the City) by acting as a designated agency of the City for industrial, commercial, distribution and research development within the City. The Corporation is a related organization of the City since the City appoints a voting majority of the Corporation's Board of Directors. The Corporation is a tax-exempt organization under Internal Revenue Code Section 501(c)(4).

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board and the Corporation is able to significantly influence the programs or services performed or provided by the organization; or the Corporation is legally entitled to or can otherwise access the organization's resources; or the Corporation is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the Corporation is obligated for the debt of the organization. Component units may also include organizations for which the Corporation approves the budget, the issuance of debt, or the levying of taxes. Currently, the Corporation does not have any component units.

2. Summary of Significant Accounting Policies

A. Method of Accounting

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to nongovernmental nonprofit organizations. Accordingly, the Corporation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Corporation is required to present a statement of cash flows. The Corporation does not have any temporarily restricted net assets or permanently restricted net assets in any of the years presented.

B. Cash and Cash Equivalents

Investments with original maturities of three months or less at the time they are purchased by the Corporation are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments. As of December 31, 2007 the Corporation had no investments.

2. Summary of Significant Accounting Policies (Continued)

C. Inventories

Inventories are stated at cost, which approximates market, using the specific identification method. When an item is sold, its specific cost is charged to cost of sales.

D. Property and Equipment

Property and equipment are stated at cost. Donated property and equipment are recorded at their estimated fair value at the date of donation. The Corporation's informal policy includes a capitalization threshold of one thousand dollars. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, as follows:

Roadways	27 years
Buildings	20 years
Heating, Ventilating, and Air-conditioning	15 years
Site Improvements	10 years
Tenant Improvements	5 years
Equipment held for sale or lease	5-10 years
Office Furniture	5 years
Office Equipment	3 years

Expenditures for repairs and maintenance are charged to expense as incurred. Gains and losses on disposals and retirements of capital assets are recognized as they occur. In the event the Corporation would borrow funds to finance construction of capital assets, interest costs would be capitalized accordingly. Capital additions, received through the Corporation's affiliation with the Department of Energy, are designated to further the Corporation's purpose.

E. Grant Revenue Recognition

The Corporation is the recipient of numerous federal, state, and local grants. In light of the granting government's desired results and ability to disallow grant expenses, the Corporation accounts for these grants as exchange transactions. Grant revenue is recognized once all grant requirements have been met. Grant amounts not recognized as of the end of the year are reported as unearned revenue in the accompanying financial statements.

F. Use of Estimates

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.

3. Concentration of Credit Risk

The carrying amounts of the Corporation's deposits were $1,556,017 and $1,056,613 as of December 31, 2007 and 2006, respectively. The bank balance was $1,586,733 and $1,143,792 as of December 31, 2007 and 2006, respectively. As of December 31, 2007 and 2006, deposits in excess of federally insured limits were $1,456,017 and $956,613, respectively.

The Corporation requires collateral for demand deposits and certificate of deposits at 110 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities, school districts, and district corporations. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

4. Property and Equipment

A summary of property and equipment at December 31, 2007 and 2006 is as follows:

	2007	2006
Non-depreciable assets:		
Land	$ 1,590,000	$ 1,590,000
Construction-in-process	1,481,529	-
Depreciable assets:		
Buildings and improvements	2,813,005	2,784,120
Leasehold improvements	4,681,139	4,622,724
Office furniture and equipment	124,370	121,983
Equipment held for sale or lease	21,864	33,526
Site improvements held for donation	5,313,939	5,313,939
Infrastructure	5,757,733	5,138,588
Subtotal	21,783,579	19,604,880
Less: accumulated depreciation	(8,145,904)	(6,827,110)
Total property and equipment - net	$ 13,637,675	$ 12,777,770

5. Grant Revenue

Grant revenues for the years ended December 31, 2007 and 2006 are as follows:

	2007	2006
U.S. Department of Energy Facilities Transition	1,377,292	1,289,383
City of Miamisburg Roadway Improvements	50,000	-
Dayton Development Coalition Shovel Ready Sites	100,000	-
Total	$1,527,292	$1,289,383

6. Leases and Subleases

The Corporation leases the Miamisburg Mound Facility, including real and personal property, from the Department of Energy. The lease is for a term of five years (through September, 2009). The lease requires lease payments of $1 per building per year.

The Corporation is permitted to sublease the property for the sole purpose of supporting economic development. Any sublease rental income received by the Corporation must be reinvested into economic development endeavors of the Corporation. Future minimum rentals under non-cancelable subleases for the next five years are as follows:

2008	563,132
2009	334,456
2010	241,977
2011	208,474
2012	150,590
Total	$1,498,629

Rental income for the years ended December 31, 2007 and 2006 were $643,425 and $707,434, respectively.

The Company sells and leases certain machinery and equipment to outside parties under non-cancelable operating leases. The cost of the machinery is included in equipment held for sale or lease. Accumulated depreciation on these assets was $7,220 and $8,427 as of December 31, 2007 and 2006, respectively. The future rental income under these non-cancelable operating leases is as follows:

2008	18,346
2009	13,759
Total	$32,105

7. Defined Benefit Pension Plan

The Corporation participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

7. Defined Benefit Pension Plan (Continued)

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the years ended December 31, 2007 and December 31, 2006, the Corporation's OPERS members were required to contribute 9.5 percent and 9 percent, respectively, of their annual covered salaries. The Corporation's contribution rate for pension benefits for 2007 and 2006 was 13.85 percent and 13.7 percent, respectively, of gross wages. The Corporation made contributions to OPERS totaling $14,677 and $12,949 during 2007 and 2006, respectively. 100 Percent has been contributed for 2007 and 2006.

The Corporation has a retirement plan-covering employees who do not participate in OPERS. Contributions made by the Corporation to the plan are at the discretion of the Board of Directors. The Corporation made contributions to the plan totaling $9,796 and $16,460 during 2007 and 2006, respectively.

8. Postemployment Benefits

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit postemployment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part b premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

8. Postemployment Benefits (Continued)

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, employers contributed 13.85 percent of covered payroll .Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Corporation's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007 and 2006 were $5,828.41 and $4,253.32 respectively. 100 percent has been contributed for 2007 and 2006.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.00 percent annually for the next nine years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans as of December 31, 2007 was 374,979. Actual employer contributions for 2007 and 2006 which were used to fund postemployment benefits were $7,427 and $5,415. The OPERS net assets available is $12 Billion at December 31, 2006 (latest available). The actuarially accrued liability is 30.7 Billion and the unfunded liability is 18.7 Billion.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

9. Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Corporation manages these risks through the purchase of commercial insurance. Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

10. Contingent Liabilities

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the Corporation expects such amounts, if any, not to have a material impact.

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

Board of Trustees
Miamisburg Mound Community Improvement Corporation
Miamisburg, Ohio

We have audited the accompanying statement of financial position of the Miamisburg Mound Community Improvement Corporation, Montgomery County (the Corporation), as of December 31, 2007, and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated June 30, 2008. 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 Corporation'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 Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2007-01 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We do not consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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.*

The Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC
Columbus, Ohio
June 30, 2008

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Board of Trustees
Miamisburg Mound Community Improvement Corporation
Miamisburg, Ohio

Compliance

We have audited the compliance of the Miamisburg Mound Community Improvement Corporation, Montgomery County, Ohio (the Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The Corporation's major federal program is 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 its major federal program is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation'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 Corporation'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 of the Corporation's compliance with those requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Corporation's internal control over compliance with the 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, 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 Corporation's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, and 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.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC
Columbus, Ohio
June 30, 2008

Miamisburg Mound Community Improvement Corporation
(an Ohio Not-for-profit Corporation)
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

	CFDA Number	Federal Expenditures
U.S. Department of Energy		
Direct Program:		
Facilities Transition Grant	81.502	$2,138,882
Total Federal Expenditures		$2,138,882

Miamisburg Mound Community Improvement Corporation
(an Ohio Not-for-profit Corporation)
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

1. Basis of Presentation

Except for presenting capital acquisitions as expenditures, the accompanying Schedule of Expenditures of Federal Awards has been prepared using the accrual basis of accounting in accordance with the format set forth in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, *Audits of State and Local Governments.* The total of federal expenditures for capital acquisitions during 2007 was $2,020,750.

Miamisburg Mound Community Improvement Corporation
(an Ohio Not-for-profit Corporation)
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

1) SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a) of Circular A-133?	No
(d)(1)(vii)	Major Programs (list):	Facilities Transition Grant CFDA# 81.502
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > $300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

Miamisburg Mound Community Improvement Corporation
(an Ohio Not-for-profit Corporation)
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

2) FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS:

2007-01 INTERNAL CONTROL OVER FINANCIAL REPORTING

The compilation and presentation of materially correct financial statements and the related footnotes is the responsibility of management of the Corporation. Thus, it is important that management develop control procedures related to drafting financial statements and footnotes that enable management to prevent and detect potential misstatements prior to audit. It is also important to note that independent auditors are not part of an entity's internal control structure and should not be relied upon by management to detect misstatements in the financial statements.

As a result of our audit, we identified a misstatement in the Corporation's financial statements that was not necessarily material, but was more than inconsequential. We proposed an adjusting journal entry to the Corporation and the misstatement was subsequently corrected. The design and operation of the Corporation's internal control structure is such that it would not allow Corporation management or employees, in the normal course of performing their assigned functions, to prevent or detect this misstatement on a timely basis.

We recommend the Corporation devise and implement additional internal control procedures over the financial reporting process capable of preventing misstatements in the financial statements and footnotes. Such procedures could consist of a year-end analysis of each financial statement account balance for accuracy and completeness.

Official's Response:

Miamisburg Mound Community Improvement Corporation management will work to improve the reports that are presented and will evaluate current procedures to determine if additional review of draft financial reports is necessary prior to submission.

3) FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS:

None.

MIAMISBURG MOUND COMMUNITY IMPROVEMENT CORPORATION

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 2, 2008

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