MIAMISBURG MOUND
COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY

Financial Statements and
Independent Auditor's Reports

For the Fiscal Years Ended
December 31, 2008

Kennedy
Cottrell
Richards

Mary Taylor, CPA
Auditor of State

Board of Trustees
Miamisburg Mound Community Improvement Corporation
965 Capstone Drive, Suite 480
Miamisburg, Ohio 45342

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, 2008 through December 31, 2008. 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 13, 2009

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MIAMISBURG MOUND COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Miamisburg Mound Community Improvement Corporation
Miamisburg, Ohio

We have audited the accompanying statement of net assets of the Miamisburg Mound Community Improvement Corporation, Montgomery County, Ohio (the Corporation), as of December 31, 2008, and the related statements of activity and cash flows for the year then ended, which collectively comprise the Corporation's basic financial statements, as listed in the table of contents. 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2008, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2009 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 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 read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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
June 30, 2009

The management's discussion and analysis of the Miamisburg Mound Community Improvement Corporation (MMCIC) financial performance provides an overall review of MMCIC's financial activities for the fiscal year ended December 31, 2008. The intent of this discussion and analysis is to look at MMCIC's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of MMCIC's financial performance.

Financial Highlights

The total assets of MMCIC were $16,846,629 as of December 31, 2008 and the total liabilities were $668,119 at fiscal year end. Net assets of MMCIC totaled $16,178,510, an increase of $399,919 from the prior year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34.

Report Components

The statement of net assets and the statement of revenues, expenses and changes in net assets provide information about MMCIC as a whole.

The management's discussion and analysis is intended to serve as an introduction to MMCIC's basic financial statements. MMCIC's basic financial statements are comprised of two components: the financial statements and the notes to the financial statements.

The statement of net assets and the statement of revenues, expenses, and changes in net assets reflect how MMCIC did financially during the year ended December 31, 2008. The change in net assets is important because it tells the reader whether the financial position of MMCIC has increased or decreased during the period. Over time, these increases and /or decrease are one indicator of whether the financial position is improving or deteriorating.

The notes to the financial statements are an integral part of the basic financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. MMCIC has elected to present its financial statements on an accrual basis of accounting. Under MMCIC's accrual basis of accounting, revenues and expenses are recorded when incurred rather than when cash is received or paid.

Financial Analysis

Table 1 provides a summary of MMCIC's net assets for 2008:

Table 1
Net Assets at Year End

	2008	2007
Assets		
Cash and cash equivalents	$ 1,427,638	$ 1,556,017
Prepaid expenses	45,742	46,123
Tenant receivable	103,718	46,651
Deposits	73,137	73,137
Grants receivable	712,668	865,663
Note receivable	191,895	106,106
Nondepreciable Capital Assets	2,643,370	3,071,529
Net Depreciable Capital Assets	11,648,461	10,566,146
Total assets	$ 16,846,629	$ 16,331,372
Liabilities and Net Assets		
Accounts payable	$ 114,062	$ 106,414
Accrued salaries and benefits	183,289	125,809
Accrued expenses	178,873	125,558
Unearned revenue	191,895	195,000
Total liabilities	668,119	552,781
Investment in Capital Assets, Net of Related Debt	14,291,831	13,637,675
Restricted for Federal Grant Programs	982,470	1,225,390
Unrestricted	904,209	915,526
	16,178,510	15,778,591
Total liabilities and net assets	$ 16,846,629	$ 16,331,372

The change to notes receivable from 2007 to 2008 is related to the following:

Write off of bad debt	Circuit CAD Corporation	$106,106
Balance due on new Note	Mead Westvaco	$191,895

Financial Analysis

Table 2 provides a summary of MMCIC's change in net assets for 2008:

Table 2
Changes in Net Assets

	2008	2007
Operating Revenues		
Grant revenue	$ 2,443,079	$ 1,527,292
Lease revenue	1,122,789	864,025
Equipment sales revenue	7,711	13,330
Other revenue	78,296	132,688
Total revenue	3,651,875	2,537,335
Operating Expenses		
Salaries and benefits	586,084	511,717
General and administrative	211,556	215,731
Utilities	234,326	213,990
Consulting and professional	159,276	201,826
Repair and maintenance	523,035	494,739
Depreciation	1,442,408	1,322,064
Other operating expenses	95,271	7,131
Total expenses	3,251,956	2,967,198
Increase (decrease) in net assets	399,919	(429,863)
Net assets, beginning of year	$ 15,778,591	$ 16,208,454
Net assets, end of year	$ 16,178,510	$ 15,778,591

Revenues

Two new tenants at the Mound Advanced Technology Center (MATC) helped to increase lease revenue in 2008.

The Montgomery County Consolidated Emergency Communications Center signed a 20-year lease that began in 2008. The operation will employ about 100 workers and serves as the control center for 911 services for the county and 18 other jurisdictions.

MeadWestvaco (MWV) moved a key corporate staff function to the MATC. The Safety, Health & Environmental (SH&E) Laboratory, part of the company's Safety, Health and Environmental group, is leasing 5,951 square feet of laboratory and office space at 965 Capstone Drive.

Capital Assets

As of fiscal year end, MMCIC has $14,291,831 invested in capital assets. This amount represents $23,880,142 in capital assets at cost, offset by accumulated depreciation of $9,588,311. Current year additions and depreciation were $2,096,563 and $1,442,407, respectively.

Debt

As of fiscal year end, MMCIC has no outstanding debt.

Contacting MMCIC's Financial Management

The financial report is designed to provide a general overview of MMCIC's finances and to show MMCIC's accountability for the funds it receives. If you have any questions about this report or need additional information contact Karen Kenwell, Administrative Manager, at kkenwell@mound.com.

Miamisburg Mound Community Improvement Corporation
(An Ohio Not-for-profit Corporation)
Statement of Net Assets
As of December 31, 2008

Assets		
Cash and cash equivalents	$	1,427,638
Prepaid expenses		45,742
Tenant receivable		103,718
Deposits		73,137
Grants receivable		712,668
Note receivable		191,895
Nondepreciable Capital Assets		2,643,370
Depreciable Capital Assets, net		11,648,461
Total assets	$	16,846,629
Liabilities and Net Assets		
Accounts payable	$	114,062
Accrued salaries and benefits		183,289
Accrued expenses		178,873
Unearned revenue		191,895
Total liabilities		668,119
Investment in Capital Assets, Net of Related Debt		14,291,831
Restricted for Federal Grant Programs		982,470
Unrestricted		904,209
Total net assets		16,178,510
Total liabilities and net assets	$	16,846,629

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 Revenues, Expenses, and Changes in Net Assets
For the Year Ended December 31, 2008

Operating Revenues	
Grant revenue	$ 2,443,079
Lease revenue	1,122,789
Equipment sales revenue	7,711
Other revenue	78,296
Total revenue	3,651,875
Operating Expenses	
Salaries and benefits	586,084
General and administrative	211,556
Utilities	234,326
Consulting and professional	159,276
Repair and maintenance	523,035
Depreciation	1,442,408
Other operating expenses	95,271
Total expenses	3,251,956
Increase (decrease) in net assets	399,919
Net assets, beginning of year,	15,778,591
Net assets, end of year	$ 16,178,510

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 Year Ended December 31, 2008

Cash flows from Operating Activities		
Cash Received from Federal Grants	$	2,206,074
Cash Received from State Grants		195,000
Cash Received from Leases		1,065,721
Cash Received from Equipment Sales		7,711
Cash Received from Other		78,298
Cash Payments for Goods and Services		(1,098,382)
Cash Payments for Employee Services		(402,407)
Cash Payments for Employee Benefits		(132,621)
Net cash provided by Operating Activities		**1,919,394**
Cash flows from Capital and Related Activities		
Purchase of Capital Assets		(2,047,773)
Net cash used for Capital and Related Activities		**(2,047,773)**
Net increase (decrease) in Cash		**(128,379)**
Cash and Cash Equivalents at beginning of year		1,556,017
Cash & Cash Equivalents at end of year	$	1,427,638
Operating Income	$	399,919
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation		1,442,408
Bad Debt Expense		106,106
Changes in Assets and Liabilities		
(Increase)/decrease in prepaid expenses		381
(Increase)/decrease in tenant receivable		(57,068)
(Increase)/decrease in federal grants receivable		(42,005)
(Increase)/decrease in equipment held for sale or lease, gross		5,025
Increase/(decrease) in accounts payable		51,119
Increase/(decrease) in accrued salaries and benefits		57,480
Increase/(decrease) in accrued expenses		(43,971)
Total Adjustments		(29,039)
Net Cash Provided by Operating Activities	**$**	**1,919,394**

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. Measurement Focus and Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Corporation's accounting policies are described below.

The Corporation's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are operating grants and lease revenue.

2. Summary of Significant Accounting Policies (Continued)

Operating expenses include salaries and benefits, repairs and maintenance of facilities, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, and then unrestricted resources as they are needed.

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, 2008 the Corporation had no investments.

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

Costs 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

In accordance with GASB Statement No. 33, Accounting and Reporting for Nonexchange Transactions, the Corporation's Facilities Transition Grant from the U.S. Department of Energy is considered a voluntary nonexchange transaction. As such, receivables and revenues are recognized when all eligibility requirements have been met. Resources received before eligibility requirements are satisfied are recorded as unearned revenue.

2. Summary of Significant Accounting Policies (Continued)

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. Deposits and Investments

The carrying amounts of the Corporation's deposits were $1,427,638 as of December 31, 2008. The bank balance was $1,439,454 as of December 31, 2008. As of December 31, 2008, deposits in excess of federally insured limits were $1,189,454.

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, 2008 is as follows:

	Ending Balance	Acquisitions	Beginning Balance
Non-depreciable assets:			
Land	$ 1,590,000	$ -	$ 1,590,000
Construction-in-process	1,053,370	(428,159)	1,481,529
Depreciable assets:			
Buildings and improvements	2,860,657	47,652	2,813,005
Leasehold improvements	5,531,048	849,909	4,681,139
Office furniture and equipment	131,441	7,071	124,370
Equipment held for sale or lease	16,839	(5,025)	21,864
Site improvements held for donation	5,313,939	-	5,313,939
Infrastructure	7,382,848	1,625,115	5,757,733
Subtotal	23,880,142	2,096,563	21,783,579
Less: accumulated depreciation	(9,588,311)	(1,442,407)	(8,145,904)
Total property and equipment - net	$ 14,291,831	$ 654,156	$ 13,637,675

5. Grant Revenue

Grant revenues for the years ended December 31, 2008 are as follows:

	2008
U.S. Department of Energy Facilities Transition	2,248,079
Dayton Development Coalition Shovel Ready Sites	195,000
Total	$2,443,079

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:

2009	946,543
2010	740,127
2011	770,616
2012	807,388
2013	515,391
Total	$3,780,065

Rental incomes for the years ended December 31, 2008 were $858,529.

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 $9,283 as of December 31, 2008. The future rental income under these non-cancelable operating leases is as follows:

2009	13,759
Total	$13,759

7. Defined Benefit Pension Plan

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.

2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

3. The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The 2008 member contribution rates were 10.0% for members in state and local classifications. The 2008 employer contribution rate for state and local employers was 14.00% of covered payroll. The Corporation contributions, representing 100% of employer contributions for the periods ended December 31, 2008, 2007 and 2006 were $15,281, $14,677, and $12,949, respectively. 100 percent has been contributed for each year.

8. Postemployment Benefits

Plan Description. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

8. Postemployment Benefits (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00% of covered payroll.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The portion of employer contributions that were used to fund post-employment benefits was $7,641 for 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, 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.

11. Subsequent Events

On January 15, 2009 the Corporation entered into a line of credit agreement with First Financial Bank in the amount of $500,000.

On February 19, 2009 the U.S. Department of Energy transferred 55 acres and three buildings to MMCIC. This brings the total MMCIC-owned acreage to 182.

12. Change in Financial Statement Reporting

The City of Miamisburg appoints the majority of the Board of Directors of the Miamisburg Mound Community Improvement Corporation (MMCIC). Because of this, MMCIC is defined as a governmental not for profit organization and should follow the financial statement presentation guidelines defined in GASB 34. The Corporation has prepared financial statements following SFAS 117 in past years. This reporting change has no impact on net assets reported as of December 31, 2007.

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Kennedy Cottrell Richards

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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 net assets of the Miamisburg Mound Community Improvement Corporation, Montgomery County (the Corporation), as of December 31, 2008, and the related statements of activity and cash flows for the year then ended, and have issued our report thereon dated June 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the 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 Entity'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.

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.

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 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 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.*

This report is intended solely for the information and use of management and federal awarding 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, 2009

383 North Front Street
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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, 2008. The Corporation'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 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 each of its major federal programs for the year ended December 31, 2008.

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.

We noted a certain matter that we reported to management in a separate letter dated June 30, 2009.

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 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, 2009

Miamisburg Mound Community Improvement Corporation
(an Ohio Not-for-profit Corporation)
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

	CFDA Number	Federal Expenditures
U.S. Department of Energy		
Direct Program:		
Facilities Transition Grant	81.502	$2,248,079
Total Federal Expenditures		$2,248,079

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, 2008

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 2008 was $2,101,517.

Miamisburg Mound Community Improvement Corporation
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2008

1) SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unqualified Opinion**

Internal Control Over Financial Reporting:

- Material weakness(es) identified? **None**
- Significant deficiency(ies) identified that are not considered material weaknesses? **None**

Noncompliance material to the financial statements noted? **None**

Federal Awards

Internal Control Over Major Programs

- Material weakness(es) identified? **None**
- Significant deficiency(ies) identified that are not considered material weaknesses? **None**

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

Any findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? **None**

Identification of major programs: **CFDA # 81.502 – Facilities Transition Grant**

Dollar threshold used to distinquish between Type A and Type B programs: **$300,000**

Auditee qualified as low risk auditee under section .530 of OMB Circular A-133: **Yes**

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

None

3) FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS:

None

Miamisburg Mound Community Improvement Corporation
Schedule of Prior Audit Findings
For the Year Ended December 31, 2008

Finding Number	Finding Summary	Fully Corrected ?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***:
2007-01	Financial Reporting	Yes	

Mary Taylor, CPA
Auditor of State

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
AUGUST 25, 2009

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