MIAMISBURG MOUND
COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY

Financial Statements and
Independent Accountant's Reports

For the Fiscal Year Ended
December 31, 2009

Kennedy
Cottrell
Richards

Mary Taylor, CPA
Auditor of State

Board of Directors
Miamisburg Mound Community Improvement Corporation
720 Mound Road
Miamisburg, Ohio 45342

We have reviewed the *Independent Accountant's Report* of the Miamisburg Mound Community Improvement Corporation, Montgomery County, prepared by Kennedy Cottrell Richards LLC, for the audit period January 1, 2009 through December 31, 2009. 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

June 17, 2010

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MIAMISBURG MOUND COMMUNITY IMPROVEMENT CORPORATION
MONTGOMERY COUNTY

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INDEPENDENT ACCOUNTANT'S REPORT

Miamisburg Mound Community Improvement Corporation
Montgomery County
720 Mound Road
Miamisburg, Ohio 45342

To the Board of Directors:

We have audited accompanying basic financial statements of the Miamisburg Mound Community Improvement Corporation, Montgomery County, Ohio (the Corporation), as of December 31, 2009, 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 reasonably assure 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, 2009, and the changes in its financial position and its 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 9, 2010 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America 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.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards
June 9, 2010

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, 2009. 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 $16,247,409 as of December 31, 2009 and the total liabilities were $310,759 at fiscal year end. Net assets of MMCIC totaled $15,936,650, a decrease of $241,860 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 serves 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, 2009. 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 2009:

Net Assets at Year End

	2009	2008
Assets		
Current Assets		
Cash and cash equivalents	$ 1,583,219	$ 1,427,638
Investments	202,914	-
Prepaid expenses	56,022	45,742
Tenant receivable	-	103,718
Deposits	73,137	73,137
Grants receivable	61,510	712,668
Total current assets	1,976,802	2,362,903
Noncurrent Assets		
Nondepreciable Capital Assets	2,370,000	2,643,370
Net Depreciable Capital Assets	11,900,607	11,648,461
Total noncurrent assets	14,270,607	14,291,831
Total Assets	**16,247,409**	**16,654,734**
Liabilities		
Current Assets		
Accounts payable	32,247	114,062
Accrued salaries and benefits	134,389	183,289
Accrued expenses	144,123	178,873
Total current liabilities	310,759	476,224
Total Liabilities	**310,759**	**476,224**
Net Assets		
Investment in Capital Assets	14,270,607	14,291,831
Restricted for Federal Grant Programs	917,795	982,470
Unrestricted	748,248	904,209
	$ 15,936,650	**$ 16,178,510**

Financial Analysis (continued)

Table 2 provides a summary of MMCIC's change in net assets for 2009:

Table 2
Changes in Net Assets

	2009	2008
Operating Revenues		
Grant revenue	$ 399,207	$ 2,443,079
Lease revenue	1,279,263	1,122,789
Equipment sales revenue	234	7,711
Other revenue	58,277	78,296
Total operating revenue	1,736,981	3,651,875
Operating Expenses		
Salaries and benefits	540,916	586,084
General and administrative	198,807	211,556
Utilities	219,345	234,326
Consulting and professional	133,509	159,276
Repair and maintenance	561,620	523,035
Depreciation	1,630,526	1,442,408
Other operating expenses	4,024	95,271
Total operating expenses	3,288,747	3,251,956
Total operating income (loss)	(1,551,766)	399,919
Capital contributions	1,309,906	-
Change in net assets	(241,860)	399,919
Net Assets, beginning of year	**16,178,510**	**15,778,591**
Net Assets, end of year	**$ 15,936,650**	**$ 16,178,510**

One new tenant was added at the Mound Advanced Technology Center (MATC) in 2009.

IYA Technologies leased an existing building three months after the end of another client's lease. The firm is an excellent fit with Mound's technology companies. The firm deals with the micro encapsulation of inks for a variety of markets and is poised for growth. The firm has received a $264,000 grant from the Montgomery County ED/GE program, and $500,000 in equipment from a local university.

Financial Analysis (continued)

Three existing tenants increased their leased space during the year. One of these companies also extended their lease term. MMCIC has begun improvements to the leased facility in order to support the expansion of the business. The investment of $550,000 is being funded by the client ($225,000), MMCIC ($100,000), the City of Miamisburg ($25,000) State of Ohio (45,000), and Montgomery County ED/GE program ($200,000). While economic woes have brought some industries to a grinding halt, this firm has grown its employment by 25 percent in just the past 18 months. A developer and manufacturer of energetic safety devices for the defense and aerospace industries, the company began in 1994 with eight employees. Today that number stands at 73.

Grant revenues are directly impacted by the amount of building and site improvements completed during the year. This type of work is typically done once an end user/tenant is identified. These revenues decreased in 2009 due to the economy. This also is reflected in the capital asset section where an increase due to capital improvement work was not seen in 2009.

Capital Assets

As of fiscal year end, MMCIC has $14,270,607 invested in capital assets. This amount represents $25,489,444 in capital assets at cost, offset by accumulated depreciation of $11,218,837. Current year additions and depreciation were $1,609,302 and $1,630,526, respectively. The current year additions include $1,309,906 of land and buildings transferred to the MMCIC on February 19, 2009. This property transfer included 51.992 acres and 3 buildings.

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, 2009

Assets		
Current Assets		
Cash and cash equivalents	$	1,583,219
Investments		202,914
Prepaid expenses		56,022
Deposits		73,137
Grants receivable		61,510
Total current assets		1,976,802
Noncurrent Assets		
Nondepreciable Capital Assets		2,370,000
Depreciable Capital Assets, net		11,900,607
Total noncurrent assets		14,270,607
Total assets		16,247,409
Liabilities		
Current Liabilities		
Accounts payable		32,247
Accrued salaries and benefits		134,389
Accrued expenses		144,123
Total current liabilities		310,759
Total liabilities		310,759
Net Assets		
Investment in Capital Assets		14,270,607
Restricted for Federal Grant Programs		917,795
Unrestricted		748,248
Total net assets	$	15,936,650

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, 2009

Operating Revenues	
Grant revenue	$ 399,207
Lease revenue	1,279,263
Equipment sales revenue	234
Other revenue	58,277
Total operating revenue	1,736,981
Operating Expenses	
Salaries and benefits	540,916
General and administrative	198,807
Utilities	219,345
Consulting and professional	133,509
Repair and maintenance	561,620
Depreciation	1,630,526
Other operating expenses	4,024
Total operating expenses	3,288,747
Operating Loss	(1,551,766)
Capital Contributions	1,309,906
Change in net assets	(241,860)
Net assets, beginning of year	16,178,510
Net assets, end of year	$ 15,936,650

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, 2009

Cash flows from Operating Activities		
Cash Received from Federal Grants	$	1,050,365
Cash Received from Leases		1,439,714
Cash Received from Equipment Sales		234
Cash Received from Other		4,315
Cash Payments for Goods and Services		(1,242,340)
Cash Payments for Employee Services		(461,046)
Cash Payments for Employee Benefits		(138,770)
Net cash provided by Operating Activities		**652,472**
Cash flows from Investing Activities		
Purchase of Investment		(202,914)
Net cash used for Investing Activities		**(202,914)**
Cash flows from Capital and Related Activities		
Purchase of Capital Assets		(293,977)
Net cash used for Capital and Related Activities		**(293,977)**
Net increase in Cash		**155,581**
Cash and Cash Equivalents at beginning of year		1,427,638
Cash & Cash Equivalents at end of year	$	1,583,219
Operating Loss	$	(1,551,766)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation		1,630,526
Bad Debt Expense		4,207
Changes in Assets and Liabilities		
Decrease in prepaid expenses		280
Decrease in tenant receivable		96,302
Decrease in federal grants receivable		651,158
Decrease in accounts payable		(84,585)
Decrease in accrued salaries and benefits		(58,900)
Decrease in accrued expenses		(34,750)
Total Adjustments		569,505
Net Cash provided by Operating Activities	**$**	**652,472**

Schedule of noncash transactions

During fiscal year 2009, the Corporation received donated property from the U.S. Department of Energy totaling $1,309,906.

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 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, 2009 the Corporation had $202,914 invested in a 9 month CD. The maturity date of this CD is 8/15/2010.

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 $1,786,133 as of December 31, 2009. The bank balances were $1,591,209 and $202,914 as of December 31, 2009. As of December 31, 2009, deposits in excess of federally insured limits were $1,341,209.

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, 2009 is as follows:

	Beginning Balance	Acquisitions	Deductions	Transfers	Ending Balance
Non-depreciable assets:					
Land	$ 1,590,000	$ 780,000	$ -	$ -	$ 2,370,000
Construction-in-process	1,053,370	157,298	-	(1,210,668)	-
Depreciable assets:					
Buildings and improvements	2,860,657	615,783	-	-	3,476,440
Leasehold improvements	5,531,048	45,182	-	1,210,668	6,786,898
Office furniture and equipment	131,441	6,519	-	-	137,960
Equipment held for sale or lease	16,839	-	-	-	16,839
Site improvements held for donation	5,313,939	-	-	-	5,313,939
Infrastructure	7,382,848	4,520	-	-	7,387,368
Subtotal	23,880,142	1,609,302	-	-	25,489,444
Less: accumulated depreciation	(9,588,311)	(1,630,526)	-	-	(11,218,837)
Total property and equipment - net	$ 14,291,831	$ (21,224)	$ -	$ -	$ 14,270,607

5. Grant Revenue

Grant revenues for the year ended December 31, 2009 is as follows:

	2009
U.S. Department of Energy Facilities Transition	$ 399,207

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, 2014). 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:

2010	$ 924,606
2011	1,003,028
2012	1,127,952
2013	970,694
2014	886,499
TOTAL	$ 4,912,779

Rental incomes for the year ended December 31, 2009 was $1,043,085.

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 $10,314 as of December 31, 2009.

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.

7. Defined Benefit Pension Plan

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 2009, 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 2009 member contribution rates were 10.0% for members in state and local classifications. The 2009 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, 2009, 2008 and 2007 were $21,511, $15,281, and $14,677, 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.

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.

8. Postemployment Benefits (Continued)

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 2009, 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 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. 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 $9,459 for 2009.

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.

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INDEPENDENT ACCOUNTANT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Miamisburg Mound Community Improvement Corporation
Montgomery County
720 Mound Road
Miamisburg, Ohio 45342

To the Board of Directors:

We have audited the basic financial statements of the Miamisburg Mound Community Improvement Corporation, Montgomery County (the Corporation), as of December 31, 2009, and have issued our report thereon dated June 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*

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 audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the Board of Directors, and others within the Corporation. We intend it for no one other than these specified parties.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC
June 9, 2010

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
JULY 1, 2010

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