

MANAGEMENT LETTER
SEPTEMBER 30, 2007

MERIDIAN DEVELOPMENT CORPORATION



CPAs & BUSINESS ADVISORS

Members of the Board of Directors
Meridian Development Corporation, a component
Unit of the City of Meridian, Idaho
Meridian, Idaho

In planning and performing our audit of the financial statements of Meridian Development Corporation, a component unit of the City of Meridian, Idaho, as of and for the year ended September 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Meridian Development Corporation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Governmental Unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the Governmental Unit's internal control.

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 a 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 a 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 was for the limited purpose described in the first paragraph 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 that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies:

- 07-01 – We identified misstatements in the governmental units' financial statements which were not identified by the governmental unit's internal control.

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This communication is intended solely for the information and use of management, Meridian Development Corporation, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Eide Bailly LLP

Boise, Idaho
February 29, 2008

SIGNIFICANT DEFICIENCIES

Adjustments to the Trial Balance

Condition:

We identified misstatements in the governmental units' financial statements which were not identified by the governmental unit's internal control.

Recommendation:

The trial balance that is provided to the audit firm should be free from misstatement.

Management Response:

We will assign more staff to the MDC audit.