

**THE EDISON FOUNDATION, INC.**  
**Piqua, Ohio**

**FINANCIAL STATEMENTS**  
June 30, 2006 and 2005





**Auditor of State  
Betty Montgomery**

Board of Trustees  
The Edison Foundation, Inc.  
1973 Edison Drive  
Piqua, Ohio 45356

We have reviewed the *Report of Independent Auditor's* of The Edison Foundation, Inc., Miami County, prepared by Crowe Chizek and Company LLC for the audit period July 1, 2005 through June 30, 2006. 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 Edison Foundation, Inc. is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

November 30, 2006

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THE EDISON FOUNDATION, INC.

FINANCIAL STATEMENTS

June 30, 2006 and 2005

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## REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS

Board of Directors  
The Edison Foundation, Inc. and Ms. Betty Montgomery,  
Auditor of State of Ohio  
Piqua, Ohio

We have audited the accompanying statements of financial position of The Edison Foundation, Inc. (the "Foundation") as of June 30, 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the Foundation as of June 30, 2005, were audited by other auditors whose report dated October 3, 2005, expressed an unqualified opinion on these statements.

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 Foundation as of June 30, 2006, and the changes in its net assets 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 October 13, 2006 on our consideration of the Foundation'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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The accompanying *Schedule of Ending Net Assets by Class to June 30, 2006 Fifth Third Trust Statements* is presented for purpose of additional analysis 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.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC

Columbus, Ohio  
October 13, 2006



THE EDISON FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2006 and 2005

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	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 374,047	\$ 176,744
Receivable		
From Edison State Community College	--	29,975
Pledges	1,492,766	171,602
Interest and dividends	9,037	15,321
Investments	1,708,223	1,823,108
Prepaid expense	<u>--</u>	<u>17,550</u>
<b>Total assets</b>	<b><u>\$ 3,584,073</u></b>	<b><u>\$ 2,234,300</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable		
To Edison State Community College	\$ 3,774	\$ 157,143
Other payables	286	--
Schell grant payable	<u>75,000</u>	<u>50,000</u>
Total liabilities	<u>79,060</u>	<u>207,143</u>
Net assets		
Unrestricted	1,084,409	930,588
Temporarily restricted	2,355,023	1,035,087
Permanently restricted	<u>65,581</u>	<u>61,482</u>
Total net assets	<u>3,505,013</u>	<u>2,027,157</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 3,584,073</u></b>	<b><u>\$ 2,234,300</u></b>

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See accompanying notes to financial statements.

THE EDISON FOUNDATION, INC.  
STATEMENTS OF ACTIVITIES  
Years ended June 30, 2006 with comparative 2005 totals

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2006</u>	<u>Total 2005</u>
<b>Revenues and other support</b>					
Gifts and grants	\$ 114	\$ 25,345	\$ --	\$ 25,459	\$ 32,474
Holiday evening event	18,650	130,585	--	149,235	161,678
Capital campaign	--	1,551,701	--	1,551,701	54,590
Graduate Academy	--	6,088	--	6,088	4,670
Investment earnings					
Interest and dividends	38,512	15,941	--	54,453	48,352
Net realized and unrealized gains	75,089	24,431	4,099	103,619	38,177
Net assets released from restrictions	<u>434,155</u>	<u>(434,155)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total revenues and other support	566,520	1,319,936	4,099	1,890,555	339,941
<b>Expenses</b>					
College scholarships awarded	132,185	--	--	132,185	138,849
Holiday evening event	117,964	--	--	117,964	171,146
Capital campaign	53,535	--	--	53,535	73,818
Salary	35,000	--	--	35,000	35,000
Bad debt	40,321	--	--	40,321	16,794
Graduate Academy	--	--	--	--	13,629
Legal and professional	11,300	--	--	11,300	11,182
Investment advisory fee	11,241	--	--	11,241	10,947
Receptions	10,328	--	--	10,328	4,260
Miscellaneous	825	--	--	825	2,434
Computer software support	--	--	--	--	974
Total expenses	<u>412,699</u>	<u>--</u>	<u>--</u>	<u>412,699</u>	<u>479,003</u>
<b>Change in net assets</b>	153,821	1,319,936	4,099	1,477,856	(139,092)
Net assets at beginning of year	<u>930,588</u>	<u>1,035,087</u>	<u>61,482</u>	<u>2,027,157</u>	<u>2,166,249</u>
<b>Net assets at end of year</b>	<u>\$ 1,084,409</u>	<u>\$ 2,355,023</u>	<u>\$ 65,581</u>	<u>\$ 3,505,013</u>	<u>\$ 2,027,157</u>

(Continued)

THE EDISON FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2005

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenues and other support</b>				
Gifts and grants	\$ 415	\$ 32,059	\$ --	\$ 32,474
Holiday evening event	20,975	140,703	--	161,678
Capital campaign	--	54,590	--	54,590
Graduate Academy	--	4,670	--	4,670
Investment earnings:				
Interest and dividends	36,969	11,383	--	48,352
Net realized and unrealized gains	29,766	6,681	1,730	38,177
Net assets released from restrictions	<u>369,459</u>	<u>(369,459)</u>	<u>--</u>	<u>--</u>
 Total revenue and other support	 457,584	 (119,373)	 1,730	 339,941
<b>Expenses</b>				
College scholarships awarded	138,849	--	--	138,849
Holiday evening event	171,146	--	--	171,146
Capital campaign	73,818	--	--	73,818
Salary	35,000	--	--	35,000
Bad debt	16,794	--	--	16,794
Graduate Academy	13,629	--	--	13,629
Legal and professional	11,182	--	--	11,182
Investment advisory fee	10,947	--	--	10,947
Receptions	4,260	--	--	4,260
Miscellaneous	2,434	--	--	2,434
Computer software support	<u>974</u>	<u>--</u>	<u>--</u>	<u>974</u>
 Total expenses	 <u>479,033</u>	 <u>--</u>	 <u>--</u>	 <u>479,003</u>
 <b>Change in net assets</b>	 (21,449)	 (119,373)	 1,730	 (139,092)
 Net assets at beginning of year	 <u>952,037</u>	 <u>1,154,460</u>	 <u>59,752</u>	 <u>2,166,249</u>
 <b>Net assets at end of year</b>	 <u>\$ 930,588</u>	 <u>\$ 1,035,087</u>	 <u>\$ 61,482</u>	 <u>\$ 2,027,157</u>

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See accompanying notes to financial statements.

THE EDISON FOUNDATION, INC.  
STATEMENTS OF CASH FLOWS  
Years ended June 3, 2006 and 2005

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	<u>2006</u>	<u>2005</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$1,477,856	\$(139,092)
Adjustments to reconcile change in net assets to net cash from operating activities		
Restricted gifts and grants	(162,018)	(232,022)
Net realized and unrealized gains	(103,619)	(38,177)
Change in other assets and liabilities		
Pledges receivable	(1,321,164)	37,194
Receivable from Edison State Community College	29,975	(29,975)
Interest and dividends receivable	6,284	--
Prepaid expense	17,550	(17,550)
Accounts payable	(153,083)	11,505
Schell grant payable	<u>25,000</u>	<u>50,000</u>
Net cash from operating activities	<u>(183,219)</u>	<u>(358,117)</u>
<b>Cash flows from investing activities</b>		
Cash paid for investments	(878,756)	(700,168)
Cash received from sale of investments	<u>1,097,260</u>	<u>863,205</u>
Net cash provided by (used in) investing activities	218,504	163,037
<b>Cash flows from financing activities</b>		
Restricted gifts and grants	<u>162,018</u>	<u>232,022</u>
Increase in cash and cash equivalents	197,303	36,942
Cash and cash equivalents, beginning of year	<u>176,744</u>	<u>139,802</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 374,047</u>	<u>\$ 176,744</u>

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See accompanying notes to financial statements.

THE EDISON FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization: The Edison Foundation, Inc. (the "Foundation") was established in 1993 as a charitable foundation under Section 501(c) (3) of the Internal Revenue Code whereby it is exempt from federal income tax. Its purpose is to solicit, receive and administer assets exclusively for charitable purposes which would most effectively assist and benefit Edison State Community College (the "College"), its students and its faculty.

The Foundation's financial information is included in the College's financial statements as a component unit.

Basis of Accounting: The Foundation uses the accrual basis of accounting. Consequently, revenue and related assets are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Net Assets: Net assets are classified into three categories:

*Unrestricted net assets.* Unrestricted net assets have no donor imposed restrictions.

*Temporarily restricted net assets.* Temporarily restricted net assets have donor imposed restrictions that will expire or be satisfied in the future.

*Permanently restricted net assets.* Permanently restricted net assets have donor imposed restrictions that neither expire by passage of time nor can be fulfilled by actions of the Foundation.

Contributions: Contributions are recorded as revenues in the year received or when a bequest is legally finalized. Unconditional pledges are recorded in the period that the pledges are received. Conditional pledges are recorded in the period in which the conditions have been met. Funds from pledges to be collected in future years are recorded at net present value. All pledges are net of an allowance for doubtful collections. The allowances are based upon prior experience, management's judgment and other related factors.

Investments: Investments are stated at fair value based on market values or dealer quotes, with changes in market value being recognized as gains and losses during the period in which they occur.

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(Continued)

THE EDISON FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions affecting 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 expenditures during the reporting periods. Actual results could differ from those estimates.

**NOTE 2 - BUSINESS AND CONCENTRATIONS OF CREDIT RISK**

Five donors accounted for a total of 70% of gifts and grants for the year ended June 30, 2006, while five donors accounted for 46% of gifts and grants for the year ended June 30, 2005.

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and investments. The Foundation places its cash in federally insured banks. Cash is generally in excess of the Federal Deposit Insurance Corporation's insurance limit.

Investments are managed by a professional investment manager. The investment manager is subject to the Foundation's investment policies which contain objectives, guidelines and restrictions designed to provide for preservation of capital with emphasis on providing current income and achieving long-term growth of the funds.

**NOTE 3 - CLASSIFICATION OF NET ASSETS**

	June 30, 2006			June 30, 2005		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
Unrestricted	\$ 76,680	\$ -	\$ -	\$ 15,994	\$ -	\$ -
Savings	9,796	53,151	-	9,796	89,507	-
Endowment	125,632	39,651	-	112,406	39,547	-
Scholarship Endowment	21,289	57,813	-	17,549	14,747	-
Title III Special Endowment	290,813	725,546	-	256,378	691,024	-
Alumni Scholarship	9,923	12,012	-	8,247	11,917	-
Tri-County Educational	165,662	69,177	-	147,383	73,835	-
Other - Capital Funds	367,066	1,358,207	-	348,779	74,085	-
Technology Endowment	17,097	39,467	-	12,705	39,424	-
Robinson Scholarship	451	-	65,581	1,351	1,001	61,482
	<u>\$ 1,084,409</u>	<u>\$ 2,355,023</u>	<u>\$ 65,581</u>	<u>\$ 930,588</u>	<u>\$ 1,035,087</u>	<u>\$ 61,482</u>

(Continued)

THE EDISON FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

**NOTE 4 - INVESTMENTS**

Investments by major types for the years ended June 30, 2006 and 2005 are as follows:

	<u>2006</u>		<u>2005</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Unrestricted				
Equity funds	\$ 43,131	\$ 53,078	\$ 67,597	\$ 77,373
Bond funds	21,025	20,531	40,949	40,413
Endowment				
Equity funds	86,576	112,400	83,554	100,267
Bond funds	41,633	40,583	45,994	45,635
Scholarship Endowment				
Equity funds	47,320	52,832	18,797	22,256
Bond funds	25,422	24,831	8,979	8,874
Title III Special Endowment				
Common stock and equity mutual funds	519,446	606,268	533,309	618,302
US Government, agency obligations, corporate bonds, and bond mutual funds	304,924	300,304	270,369	273,115
Alumni Scholarship				
Equity funds	12,251	15,227	11,911	13,725
Bond funds	5,422	5,296	6,006	5,919
Tri-County Educational				
Equity funds	128,736	165,826	124,643	148,118
US Government, agency obligations, corporate bonds, and mutual funds	57,162	56,435	64,243	64,089
Technology Endowment				
Equity funds	31,861	38,902	31,434	35,284
Bond funds	13,775	13,465	15,019	14,768
Other - Capital Funds				
Equity funds	69,492	91,348	165,699	197,517
Bond funds	47,379	46,505	96,338	95,494
Robinson Scholarship				
Equity funds	38,300	47,493	38,429	43,717
Bond funds	<u>17,279</u>	<u>16,899</u>	<u>18,516</u>	<u>18,242</u>
	<u>\$ 1,511,134</u>	<u>\$ 1,708,223</u>	<u>\$ 1,641,786</u>	<u>\$ 1,823,108</u>

Net realized gains (losses) on sale of investments were \$83,177 and \$66,503 and capital gains distributions were \$20,441 and \$23,527 for the years ended June 30, 2006 and 2005, respectively.

(Continued)

THE EDISON FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006 and 2005

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**NOTE 5 - PLEDGES RECEIVABLE**

As of June 30, 2006 and 2005, contributors to the Foundation have outstanding unconditional pledges totaling \$1,706,422 and \$184,940, respectively. Gross pledges receivable have been discounted to a net present value of \$1,571,266 and \$171,602 as of June 30, 2006 and 2005, respectively, which represents fair market value. The discount rate was 5.0% for 2006 and 2005. An allowance for doubtful pledges of \$78,500 has been applied to the gross receivable balance as of June 30, 2006. There was no allowance for doubtful pledges applied to the June 30, 2005 receivable balance. The allowance is based upon management's judgment, past collection experience and other relevant factors. All pledges have been classified as temporarily restricted net assets since they will either expire or be fulfilled within a specified period of time. Gross pledges are due as follows:

	<u>2006</u>	<u>2005</u>
Less than one year	\$ 462,333	\$60,323
One to five years	1,108,000	99,685
More than five years	<u>933</u>	<u>11,594</u>
Total	<u>\$ 1,571,266</u>	<u>\$ 171,602</u>

**NOTE 6 - SCHELL GRANT**

The Fifth Third Charitable Screening Committee (the "Committee") has approved a grant from the Charles E. Schell Foundation, Fifth Third Bank, Trustee, subject to certain conditions. An initial contribution of \$25,000 was granted to the Foundation in 2004 to administer as interest-free student loans through the College. The amount may be renewed for three or more years (for a total grant of funds of \$100,000), contingent on successful administration of the program, and compliance with terms of the award. It is the intention of the Committee that the funds become a revolving loan fund to the Foundation. Additional contributions of \$25,000 were granted and received by the Foundation in 2005 and 2006. As of June 30, 2006, the total grant of funds to the Foundation was \$75,000 and the amount distributed to students through the College as interest-free loans was \$9,000.



**SUPPLEMENTAL SCHEDULE**

THE EDISON FOUNDATION, INC.  
 SCHEDULE OF ENDING NET ASSETS BY CLASS TO JUNE 30, 2006 FIFTH THIRD TRUST STATEMENTS  
 Year ended June 30, 2006

	Unrestricted	Savings Account	Endowment	Title III Scholarship Endowment	Special Endowment	Alumni Scholarship	Tri-County Educational	Other Capital Funds	Technology Endowment	Robinson Scholarship	Total
<b>Revenue and other support</b>											
Gifts and grants	\$ 114	\$ 24,804	\$ 104	\$ 24	\$ 87	\$ 15	\$ 132	\$ 89	\$ 43	\$ 47	\$ 25,459
Holiday evening event	18,650	130,585	--	--	--	--	--	--	--	--	149,235
Capital campaign	--	190,216	--	--	--	--	--	1,361,485	--	--	1,551,701
Graduate academy	--	6,088	--	--	--	--	--	--	--	--	6,088
Interest and dividends	2,799	2,943	4,680	2,295	25,997	490	5,422	6,588	1,457	1,782	54,453
Net realized and unrealized gains	7,750	--	9,433	1,843	48,862	1,301	14,118	12,977	3,236	4,099	103,619
Total revenue and other support	29,313	354,636	14,217	4,162	74,946	1,806	19,672	1,381,139	4,736	5,928	1,890,555
<b>Expenses</b>											
College scholarship awards	--	--	--	10,296	--	--	4,790	113,733	--	3,366	132,185
Holiday evening event	--	--	--	--	--	--	--	117,964	--	--	117,964
Capital campaign	--	--	--	--	--	--	--	53,535	--	--	53,535
Salary	35,000	--	--	--	--	--	--	--	--	--	35,000
Bad debt	--	--	--	--	--	--	--	40,321	--	--	40,321
Legal and professional	11,300	--	--	--	--	--	--	--	--	--	11,300
Investment advisory fee	647	--	888	399	5,990	114	1,261	1,278	301	363	11,241
Receptions	8,586	--	--	--	--	--	--	1,742	--	--	10,328
Miscellaneous	825	--	--	--	--	--	--	--	--	--	825
Transfers	(87,731)	390,992	--	(53,338)	--	(80)	--	(249,843)	--	--	--
Total expenses	(31,373)	390,992	888	(42,643)	5,990	34	6,051	78,730	301	3,729	412,699
<b>Change in net assets</b>	60,686	(36,356)	13,329	46,805	68,956	1,772	13,621	1,302,409	4,435	2,199	1,477,856
Beginning of year net assets	15,994	99,303	151,953	32,296	947,402	20,164	221,218	422,864	52,129	63,834	2,027,157
End of year net assets	76,680	62,947	165,282	79,101	1,016,358	21,936	234,839	1,725,273	56,564	66,033	3,505,013
<b>Reconciliation to Trust statements</b>											
Ending net assets per books	\$ 76,680	\$ 62,947	\$ 165,282	\$ 79,101	\$ 1,016,358	\$ 21,936	\$ 234,839	\$ 1,725,273	\$ 56,564	\$ 66,033	\$ 3,505,013
Interest and dividend receivable	(307)	--	(692)	(348)	(4,770)	(63)	(1,102)	(1,266)	(225)	(264)	(9,037)
Pledges receivable	--	--	--	--	--	--	--	(1,492,766)	--	--	(1,492,766)
Payable to College	--	--	--	--	--	--	--	3,774	--	--	3,774
Accounts payable	286	--	--	--	--	--	--	--	--	--	286
Schnell grant payable	--	--	--	--	--	--	--	75,000	--	--	75,000
Balance per trust statements	76,659	62,947	164,590	78,753	1,011,588	21,873	233,737	310,015	56,339	65,769	2,082,270

(Continued)

THE EDISON FOUNDATION, INC.  
 SCHEDULE OF ENDING NET ASSETS BY CLASS TO JUNE 30, 2006 FIFTH THIRD TRUST STATEMENTS  
 Year ended June 30, 2006

	Unrestricted	Savings Account	Endowment	Title III Scholarship Endowment	Special Endowment	Alumni Scholarship	Tri-County Educational	Other Capital Funds	Technology Endowment	Robinson Scholarship	Total
<b>Unrestricted net assets</b>											
Revenue and other support	\$ 114	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 114
Gifts and grants	18,650	--	--	--	--	--	--	--	--	--	18,650
Holiday evening event	--	--	--	--	--	--	--	--	--	--	--
Capital campaign	--	--	--	--	--	--	--	--	--	--	--
Graduate academy	2,799	--	4,680	2,295	12,999	490	5,422	6,588	1,457	1,782	38,512
Interest and dividends	--	--	--	--	--	--	--	--	--	--	--
Net realized and unrealized gains	7,750	--	9,433	1,843	24,431	1,301	14,118	12,977	3,235	--	75,088
Total revenue and other support	29,313	--	14,113	4,138	37,430	1,791	19,540	19,565	4,693	1,782	132,364
Expenses and transfers	--	--	--	--	--	--	--	--	--	2,318	2,318
College scholarship awards	--	--	--	--	--	--	--	--	--	--	--
Holiday evening event	--	--	--	--	--	--	--	--	--	--	--
Capital campaign	35,000	--	--	--	--	--	--	--	--	--	35,000
Salary	--	--	--	--	--	--	--	--	--	--	--
Bad debt	--	--	--	--	--	--	--	--	--	--	--
Legal and professional	11,300	--	--	--	--	--	--	--	--	--	11,300
Investment advisory fee	647	--	888	399	2,995	114	1,261	1,278	301	363	8,246
Receptions	8,586	--	--	--	--	--	--	--	--	--	8,586
Miscellaneous	825	--	--	--	--	--	--	--	--	--	825
Transfer	(87,731)	--	--	--	--	--	--	--	--	--	(87,731)
Total expenses	(31,373)	--	888	399	2,995	114	1,261	1,278	301	363	(21,456)
Change in net assets	60,686	--	13,226	3,740	34,435	1,676	18,279	18,287	4,392	(899)	153,820
Beginning of year net assets	15,994	9,796	112,406	17,549	256,378	8,247	147,383	348,779	12,705	1,351	930,588
End of year net assets	76,680	9,796	125,632	21,289	290,813	9,923	165,662	367,066	17,097	452	1,084,408
<b>Temporarily restricted net assets</b>											
Revenue and other support	--	24,804	104	24	87	15	132	89	43	47	25,345
Gifts and grants	--	130,585	--	--	--	--	--	--	--	--	130,585
Holiday evening event	--	190,216	--	--	--	--	--	1,361,485	--	--	1,551,701
Capital campaign	--	6,088	--	--	--	--	--	--	--	--	6,088
Graduate academy	--	2,942	--	--	12,999	--	--	--	--	--	15,941
Interest and dividends	--	--	--	--	--	--	--	--	--	--	--
Net realized and unrealized gains	--	--	--	--	24,431	--	--	--	--	--	24,431
Total revenue and other support	--	354,635	104	24	37,517	15	132	1,361,574	43	47	1,754,091

(Continued)

THE EDISON FOUNDATION, INC.  
 SCHEDULE OF ENDING NET ASSETS BY CLASS TO JUNE 30, 2006 FIFTH THIRD TRUST STATEMENTS  
 Year ended June 30, 2006

Expenses (classified as unrestricted expenses in the Statement of Activities)	Unrestricted	Savings Account	Endowment	Title III		Special Endowment	Alumni Scholarship	Tri-County Educational	Other Capital Funds	Technology Endowment	Robinson Scholarship	Total
				Scholarship Endowment	Endowment							
College scholarship	\$ --	\$ --	\$ --	\$ 10,296	\$ --	\$ --	\$ --	\$ 4,790	\$ 113,733	\$ --	\$ 1,048	\$ 129,867
Holiday evening event	--	--	--	--	--	--	--	--	117,964	--	--	117,964
Capital campaign	--	--	--	--	--	--	--	--	53,535	--	--	53,535
Salary	--	--	--	--	--	--	--	--	--	--	--	--
Bad debt	--	--	--	--	--	--	--	--	40,321	--	--	40,321
Legal and professional	--	--	--	--	--	--	--	--	--	--	--	--
Investment advisory fee	--	--	--	--	2,995	--	--	--	--	--	--	2,995
Receptions	--	--	--	--	--	--	--	--	1,743	--	--	1,743
Miscellaneous	--	--	--	--	--	--	--	--	--	--	--	--
Transfers	--	390,992	--	(53,338)	--	--	(80)	--	(249,843)	--	--	87,731
Total expenses	--	390,992	--	(43,042)	--	2,995	(80)	4,790	77,453	--	1,048	434,155
Change in net assets	--	(36,356)	104	43,066	34,522	95	(4,658)	1,284,122	43	(1,001)	1,319,936	
Beginning of year net assets	--	89,507	39,547	14,747	691,024	11,917	73,835	74,085	39,424	1,001	1,035,087	
End of year net assets	--	53,151	39,651	57,813	725,546	12,012	69,177	1,358,207	39,467	--	2,355,023	
<b>Permanently restricted net assets</b>												
Net realized and unrealized gains	--	--	--	--	--	--	--	--	--	--	4,099	4,099
Change in net assets	--	--	--	--	--	--	--	--	--	--	4,099	4,099
Beginning of year net assets	--	--	--	--	--	--	--	--	--	--	61,482	61,482
End of year net assets	--	--	--	--	--	--	--	--	--	--	65,581	65,581
Total net assets	\$ 76,680	\$ 62,947	\$ 165,282	\$ 79,101	\$ 1,016,360	\$ 21,936	\$ 234,839	\$ 1,725,273	\$ 56,564	\$ 66,033	\$ 3,505,013	



REPORT OF INDEPENDENT AUDITORS 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 Directors  
The Edison Foundation, Inc. and Ms. Betty Montgomery,  
Auditor of State of Ohio  
Piqua, Ohio

We have audited the financial statements of The Edison Foundation, Inc. (the "Foundation") as of and for the year ended June 30, 2006, and have issued our report thereon dated October 13, 2006. 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 Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement caused by error or fraud in amounts that would be material in relation to the consolidated financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 the Board of Directors, management and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC

Columbus, Ohio  
October 13, 2006



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**THE EDISON FOUNDATION**

**MIAMI 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  
DECEMBER 14, 2006**