

***The Edison
Foundation, Inc.***

*Financial Statements for the Years Ended
June 30, 2003 and 2002 and Supplemental
Schedule for the Year Ended June 30, 2003
and Independent Auditors' Report*



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of The Edison Foundation, Inc., Miami County, prepared by Deloitte & Touche LLP, for the audit period July 1, 2002 through June 30, 2003. 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 20, 2003

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THE EDISON FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Edison Foundation, Inc.

We have audited the accompanying financial statements of The Edison Foundation, Inc. (the "Foundation") as of June 30, 2003 and 2002, and for the years then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Foundation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of America. 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 audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2003 and 2002, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our 2003 audit was conducted for the purpose of forming an opinion on the 2003 basic financial statements taken as a whole. The accompanying financial information, listed as a supplemental schedule in the foregoing table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Foundation's management. Such information has been subjected to the auditing procedures applied in our audit of the 2003 basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have issued a report dated November 7, 2003, on our consideration of The Edison Foundation, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 audits.

Deloitte & Touche LLP

November 7, 2003

THE EDISON FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2003 AND 2002

ASSETS	2003	2002
CASH AND CASH EQUIVALENTS	\$ 94,282	\$ 494,804
ACCOUNTS RECEIVABLE:		
From Edison State Community College	19,802	
Pledges	65,196	59,362
Interest and dividends	15,160	16,472
INVESTMENTS	1,551,609	1,204,263
PREPAID	10,000	
TOTAL ASSETS	<u>\$ 1,756,049</u>	<u>\$ 1,774,901</u>
LIABILITIES AND NET ASSETS		
ACCOUNTS PAYABLE:		
To Edison State Community College	\$ 18,103	\$ 55,039
Other payables		2,780
NET ASSETS:		
Unrestricted	786,345	623,959
Temporarily restricted	899,189	1,040,643
Permanently restricted	52,412	52,480
Total net assets	<u>1,737,946</u>	<u>1,717,082</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,756,049</u>	<u>\$ 1,774,901</u>

See notes to financial statements.

THE EDISON FOUNDATION, INC.

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND OTHER SUPPORT:				
Gifts and grants	\$ 184,380	\$ 9,292	\$ -	\$ 193,672
Investment earnings:				
Interest and dividends	30,595	10,899		41,494
Net realized and unrealized gains (losses)	34,147	11,283	(68)	45,362
Net assets released from restrictions	172,928	(172,928)		
Total revenues and other support	<u>422,050</u>	<u>(141,454)</u>	<u>(68)</u>	<u>280,528</u>
EXPENSES:				
College scholarships awarded	103,000			103,000
Legal and professional	10,550			10,550
Investment advisory fee	11,321			11,321
Holiday evening event	87,027			87,027
Salary	30,000			30,000
Receptions	6,029			6,029
Printing	3,000			3,000
Miscellaneous	8,737			8,737
Total expenses	<u>259,664</u>			<u>259,664</u>
CHANGE IN NET ASSETS	162,386	(141,454)	(68)	20,864
NET ASSETS:				
Beginning of year	<u>623,959</u>	<u>1,040,643</u>	<u>52,480</u>	<u>1,717,082</u>
End of year	<u>\$ 786,345</u>	<u>\$ 899,189</u>	<u>\$ 52,412</u>	<u>\$ 1,737,946</u>

(Continued)

THE EDISON FOUNDATION, INC.

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2002

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND OTHER SUPPORT:				
Gifts and grants	\$ 95,260	\$ 28,339	\$ -	\$ 123,599
Investment earnings:				
Interest and dividends	39,344	13,928		53,272
Net realized and unrealized gains (losses)	(138,714)	(53,835)	(6,306)	(198,855)
Net assets released from restrictions	145,099	(145,099)		
Change in donor restrictions	<u>(8,786)</u>	<u> </u>	<u>8,786</u>	<u> </u>
Total revenues and other support	<u>132,203</u>	<u>(156,667)</u>	<u>2,480</u>	<u>(21,984)</u>
EXPENSES:				
College scholarships awarded	63,809			63,809
Legal and professional	10,250			10,250
Investment advisory fee	13,738			13,738
Holiday evening event	57,857			57,857
Receptions	4,230			4,230
Miscellaneous	<u>20,536</u>	<u> </u>	<u> </u>	<u>20,536</u>
Total expenses	<u>170,420</u>	<u> </u>	<u> </u>	<u>170,420</u>
CHANGE IN NET ASSETS	(38,217)	(156,667)	2,480	(192,404)
NET ASSETS:				
Beginning of year	<u>662,176</u>	<u>1,197,310</u>	<u>50,000</u>	<u>1,909,486</u>
End of year	<u>\$ 623,959</u>	<u>\$ 1,040,643</u>	<u>\$ 52,480</u>	<u>\$ 1,717,082</u>

See notes to financial statements.

(Concluded)

THE EDISON FOUNDATION, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 20,864	\$ (192,404)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
(Increase) decrease in pledges receivable	(5,834)	(57,773)
(Increase) decrease in receivable from Edison	(19,802)	
(Increase) decrease in interest and dividends receivable	1,312	(5,125)
(Increase) decrease in prepaid	(10,000)	
(Increase) decrease in accounts payable	(39,716)	57,643
Restricted gifts and grants	(9,292)	(28,339)
Net realized and unrealized (gains) losses	(45,362)	198,855
Net cash used in operating activities	<u>(107,830)</u>	<u>(27,143)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for investments	(1,128,501)	(230,919)
Cash received from sale of investments	826,517	210,529
Net cash used in investing activities	<u>(301,984)</u>	<u>(20,390)</u>
CASH FLOWS FROM FINANCING ACTIVITIES—		
Restricted gifts and grants	9,292	28,339
DECREASE IN CASH AND CASH EQUIVALENTS	(400,522)	(19,194)
CASH AND CASH EQUIVALENTS:		
Beginning of year	494,804	513,998
End of year	<u>\$ 94,282</u>	<u>\$ 494,804</u>

See notes to financial statements.

THE EDISON FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2003 AND 2002

A. SUMMARY OF OPERATIONS

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, its students and its faculty.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Donations 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.

Net assets are classified into three categories: (1) unrestricted net assets, which have no donor-imposed restrictions, (2) temporarily restricted net assets, which have donor-imposed restrictions that will expire or be satisfied in the future, and (3) permanently restricted net assets, which have donor-imposed restrictions that neither expire by passage of time nor can be fulfilled by actions of the Foundation.

Expiration of Donor-Imposed Restrictions—When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions—Donations are recorded as revenues in the year received or a bequest 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.

Investments are stated at fair value and realized and unrealized gains and losses are reflected in the statement of activities. Fair value is determined by market quotes. Donated investments are recorded at the fair market value at the time received. Realized gains or losses are determined based on the average cost method.

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 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.

Reclassifications – Certain reclassifications have been made to conform 2002 balances with the 2003 presentation.

New Accounting Standard—In May 2002, the Governmental Accounting Standards Board issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which provides guidance to determine whether certain organizations for which the primary government, in this case, Edison Community College (the “College”), is not financially accountable should be reported as a component unit of that government based on the nature and significance of the relationship between the College and the Foundation. Generally, it requires reporting, as discreetly presented component units, organizations that raise and hold economic resources for the benefit of the College.

The Foundation has not yet completed its analysis of the new standard, but initially it appears that effective for the year ending June 30, 2004, the Foundation’s financial information will be included in the College’s financial statements as a component unit.

C. BUSINESS AND CONCENTRATIONS OF CREDIT RISK

Ten and seven donors accounted for a total of 100% and 99% of gifts and grants for the years ended June 30, 2003 and 2002, respectively.

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.

D. CLASSIFICATION OF NET ASSETS

	June 30, 2003			June 30, 2002		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
Unrestricted	\$ 83,181	\$ -	\$ -	\$120,487	\$ -	\$ -
Endowment	87,130	38,941		84,363	38,844	
Scholarship Endowment	12,066	14,572		11,454	11,471	
Title III Special Endowment	184,859	678,399		165,271	658,373	
Alumni Scholarship	4,926	11,803		2,912	11,729	
Tri-County Educational	109,169	75,331		103,882	74,961	
Other	301,751	39,144		134,080	204,676	
Technology Endowment	3,910	39,117		3,097	38,934	
Robinson Scholarship	(647)	1,882	52,412	(1,587)	1,655	52,480
	<u>\$786,345</u>	<u>\$899,189</u>	<u>\$52,412</u>	<u>\$623,959</u>	<u>\$1,040,643</u>	<u>\$52,480</u>

E. INVESTMENTS

Investments by major types are as follows:

	June 30, 2003		June 30, 2002	
	Cost	Market	Cost	Market
UNRESTRICTED—Mutual funds:				
Equity	\$ 102,168	\$ 97,740	\$ 112,752	\$ 90,168
Bonds	34,250	34,811	63,134	62,089
UNRESTRICTED AND TEMPORARILY RESTRICTED:				
Endowment:				
U.S. Government, agency obligations and corporate bonds	25,188	27,245	40,313	42,509
Common stocks and equity mutual funds	71,219	77,003	116,590	88,403
Scholarship Endowment—mutual funds:				
Equity	16,951	17,985	12,805	12,156
Bonds	6,471	6,586	10,512	10,497
Title III Special Endowment:				
U.S. Government, agency obligations and corporate bonds	230,937	243,616	232,410	238,177
Common stocks and equity mutual funds	575,783	572,031	500,924	425,872
Alumni Scholarship—mutual funds:				
Equity	9,929	10,772	9,268	8,900
Bonds	5,000	5,085	5,135	5,097
Tri-County Educational:				
U.S. Government, agency obligations, corporate bonds and bond mutual funds	54,211	56,136	38,131	37,335
Common stocks and equity mutual funds	115,415	122,661	130,773	97,774
Technology Endowment—mutual funds:				
Equity	32,573	28,880	34,044	23,214
Bonds	12,008	12,206	13,986	13,642
Other Temporarily Restricted:				
Equity	45,298	45,576		
Bonds	127,285	141,310		
UNRESTRICTED, TEMPORARILY RESTRICTED, AND PERMANENTLY RESTRICTED—				
Robinson Scholarship—mutual funds:				
Equity	40,392	36,742	47,275	32,002
Bonds	15,008	15,224	16,850	16,428
	<u>\$ 1,520,086</u>	<u>\$ 1,551,609</u>	<u>\$ 1,384,902</u>	<u>\$ 1,204,263</u>

Net realized gains (loss) on sale of investments were \$(167,308) and \$(27,831) and capital gains distributions were \$412 and \$5,996 for the years ended June 30, 2003 and 2002, respectively.

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SUPPLEMENTAL SCHEDULE

THE EDISON FOUNDATION, INC.

**SCHEDULE OF ENDING NET ASSETS BY CLASS TO JUNE 30, 2003 FIFTH THIRD TRUST STATEMENTS
YEAR ENDED JUNE 30, 2003**

	Unrestricted	Savings Account	Endowment	Scholarship Endowment	Title III Special Endowment	Alumni Scholarship	Tri-County Educational	Other	Technology Endowment	Robinson Scholarship	Total
REVENUE AND OTHER SUPPORT:											
Gifts and grants	\$ (874)	\$ 185,254	\$ 97	\$ 3,101	\$ 438	\$ 74	\$ 370	\$ 4,802	\$ 183	\$ 227	\$ 193,672
Interest and dividends	2,640	728	3,606	448	21,798	305	3,887	6,041	726	1,315	41,494
Net realized and unrealized losses	3,273	(4)	(4)	383	22,566	477	2,566	15,762	407	(68)	45,362
Total income	<u>5,039</u>	<u>185,982</u>	<u>3,699</u>	<u>3,932</u>	<u>44,802</u>	<u>856</u>	<u>6,823</u>	<u>26,605</u>	<u>1,316</u>	<u>1,474</u>	<u>280,528</u>
EXPENSES:											
College scholarships awarded	28,884							74,116			103,000
Legal and professional	10,550										10,550
Investment advisory fee	1,000	4	835	219	5,188	168	1,166	2,046	320	375	11,321
Holiday evening event	25,906							61,121			87,027
Salary								30,000			30,000
Receptions	6,029										6,029
Printing	3,000										3,000
Miscellaneous	3,640							5,097			8,737
Transfers	(56,916)	206,230				(1,400)		(147,914)			
Total expenses	<u>22,093</u>	<u>206,234</u>	<u>835</u>	<u>219</u>	<u>5,188</u>	<u>(1,232)</u>	<u>1,166</u>	<u>24,466</u>	<u>320</u>	<u>375</u>	<u>259,664</u>
CHANGE IN NET ASSETS	(17,054)	(20,252)	2,864	3,713	39,614	2,088	5,657	2,139	996	1,099	20,864
NET ASSETS:											
Beginning of year	90,439	30,048	123,207	22,925	823,644	14,641	178,843	338,756	42,031	52,548	1,717,082
End of year	<u>\$ 73,385</u>	<u>\$ 9,796</u>	<u>\$ 126,071</u>	<u>\$ 26,638</u>	<u>\$ 863,258</u>	<u>\$ 16,729</u>	<u>\$ 184,500</u>	<u>\$ 340,895</u>	<u>\$ 43,027</u>	<u>\$ 53,647</u>	<u>\$ 1,737,946</u>
RECONCILIATION TO TRUST STATEMENTS:											
Ending net assets per books	\$ 73,385	\$ 9,796	\$ 126,071	\$ 26,638	\$ 863,258	\$ 16,729	\$ 184,500	\$ 340,895	\$ 43,027	\$ 53,647	\$ 1,737,946
Investment income receivable	(852)	(675)	(675)	(175)	(7,639)	(120)	(1,429)	(3,637)	(265)	(368)	(15,160)
Receivable from Edison	(3,420)							(16,382)			(19,802)
Pledges receivable								(65,196)			(65,196)
Prepaid								(10,000)			(10,000)
Other payables	69,490							(69,490)			18,103
Capital campaign adjustment Payable to College								18,103			
Balance per trust statements	<u>\$ 138,603</u>	<u>\$ 9,796</u>	<u>\$ 125,396</u>	<u>\$ 26,463</u>	<u>\$ 855,619</u>	<u>\$ 16,609</u>	<u>\$ 183,071</u>	<u>\$ 194,293</u>	<u>\$ 42,762</u>	<u>\$ 53,279</u>	<u>\$ 1,645,891</u>

THE EDISON FOUNDATION, INC.

**SCHEDULE OF ENDING NET ASSETS BY CLASS TO JUNE 30, 2003 FIFTH THIRD TRUST STATEMENTS
YEAR ENDED JUNE 30, 2003**

	Unrestricted	Savings Account	Endowment	Scholarship Endowment	Title III			Other	Technology Endowment	Robinson Scholarship	Total
					Special Endowment	Alumni Scholarship	Tri-County Educational				
UNRESTRICTED NET ASSETS:											
Revenues and other support:											
Gifts and grants	\$ (874)	\$ 185,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,380
Interest and dividends	2,640	728	3,606	448	10,899	305	6,041	726	1,315		30,595
Net realized and unrealized losses	3,273	(4)	(4)	383	11,283	477	15,762	407			34,147
Total income	5,039	185,982	3,602	831	22,182	782	21,803	1,133	1,315		249,122
Expenses and transfers:											
College scholarship awards	28,884										28,884
Legal and professional	10,550										10,550
Investment advisory fee	1,000	4	835	219	2,594	168	2,046	320	375		8,727
Holiday evening event	25,906										25,906
Salary											
Receptions	6,029										6,029
Printing	3,000										3,000
Miscellaneous	3,640										3,640
Transfers	(56,916)	206,230				(1,400)	(147,914)				
Total expenses and transfers	22,093	206,234	835	219	2,594	(1,232)	(145,868)	320	375		86,736
Change in net assets	(17,054)	(20,252)	2,767	612	19,588	2,014	167,671	813	940		162,386
Beginning of year	90,439	30,048	84,363	11,454	165,271	2,912	134,080	3,097	(1,587)		623,959
End of year	73,385	9,796	87,130	12,066	184,859	4,926	301,751	3,910	(647)		786,345
TEMPORARILY RESTRICTED NET ASSETS:											
Revenues and other support:											
Gifts and grants			97	3,101	438	74	4,802	183	227		9,292
Interest and dividends					10,899						10,899
Net realized and unrealized losses					11,283						11,283
Total income			97	3,101	22,620	74	4,802	183	227		31,474

(Continued)

THE EDISON FOUNDATION, INC.

**SCHEDULE OF ENDING NET ASSETS BY CLASS TO JUNE 30, 2003 FIFTH THIRD TRUST STATEMENTS
YEAR ENDED JUNE 30, 2003**

	Unrestricted	Savings Account	Endowment	Scholarship Endowment	Title III Special Endowment	Alumni Scholarship	Tri-County Educational	Other	Technology Endowment	Robinson Scholarship	Total
Expenses (classified as unrestricted expenses in the Statement of Activities):											
College scholarships awards	\$ -	\$ -	\$ -	\$ -	2,594	\$ -	\$ -	\$ 74,116	\$ -	\$ -	\$ 74,116
Investment advisory fee							61,121				61,121
Holiday evening event							30,000				30,000
Salary											
Receptions											
Printing											
Miscellaneous							5,097				5,097
Total expenses					2,594		170,334				172,928
Change in net assets			97	3,101	20,026	74	370	(165,532)	183	227	(141,454)
Beginning of year			38,844	11,471	658,373	11,729	74,961	204,676	38,934	1,655	1,040,643
End of year			38,941	14,572	678,399	11,803	75,331	39,144	39,117	1,882	899,189
PERMANENTLY RESTRICTED NET ASSETS—											
Revenue and other—gifts and grants										(68)	(68)
Net realized and unrealized losses										(68)	(68)
Change in net assets										(68)	(68)
Beginning of year										52,480	52,480
End of year										52,412	52,412
TOTAL NET ASSETS	\$ 73,385	\$ 9,796	\$ 126,071	\$ 26,638	\$ 863,258	\$ 16,729	\$ 184,500	\$ 340,895	\$ 43,027	\$ 53,647	\$ 1,737,946

See independent auditors' report.

(Concluded)



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of The Edison Foundation, Inc.
and Betty Montgomery, Auditor of State, State of Ohio

We have audited the financial statements of The Edison Foundation, Inc. (the "Foundation") as of and for the year ended June 30, 2003, and have issued our report thereon dated November 7, 2003. 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 of America.

COMPLIANCE

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 grants, 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 audits and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 financial statements and not to provide assurance 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 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 misstatements in amounts that would be material in relation to the 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.

* * * * *

This report is intended solely for the information and use of the Board of Directors, the Foundation's management and the Auditor of the State of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

November 7, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
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THE EDISON FOUNDATION, INC.

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 4, 2003**