PRICEWATERHOUSECOOPERS

The University of Akron Foundation

Financial Statements
June 30, 2007 and 2006

Mary Taylor, CPA
Auditor of State

Board of Directors
University of Akron Foundation
302 E. Buchtel Commons
Akron, Ohio 44325

We have reviewed the *Report of Independent Auditors* of the University of Akron Foundation, Summit County, prepared by PricewaterhouseCoopers LLP, for the audit period July 1, 2006 through June 30, 2007. 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 University of Akron Foundation is responsible for compliance with these laws and regulations.

Robert R. Hinkle

Robert R. Hinkle, CPA
Chief Deputy Auditor

November 29, 2007

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The University of Akron Foundation

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Report of Independent Auditors

To the Board of Directors of
The University of Akron Foundation:

In our opinion, the accompanying statement of financial position and related statements of activities and cash flows presents fairly, in all material respects, the financial position of University of Akron Foundation (the "Foundation") at June 30, 2007 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. 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 audit. The prior year summarized comparative information has been derived from the Foundation's 2006 financial statements, and in our report dated September 28, 2006, we expressed an unqualified opinion on those financial statements. We conducted our audit of these statements 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2006, from which the summarized information has been derived.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2007 on our consideration of the Foundation's internal control over financial reporting and on 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 (included on Page 13 herein) is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

PricewaterhouseCoopers LLP

September 14, 2007

The University of Akron Foundation

Statements of Financial Position
June 30, 2007 and 2006

ASSETS	2007	2006
Cash	$ 84,947	$ 81,688
Accounts and notes receivable	248,009	202,571
Pledges receivable, net of allowance and discount	3,765,513	1,853,857
Investments, at fair value	157,886,166	138,601,305
Beneficial interest in charitable lead trusts	358,913	454,630
Beneficial interest in real estate	1,700,000	1,700,000
Property, net	5,653,501	783,501
Total assets	$ 169,697,049	$ 143,677,552
LIABILITIES AND NET ASSETS		
Accounts payable	$ 32,984	$ 12,097
Contributions payable to the University	401,790	385,591
Refundable advances	118,001	109,855
Actuarial liability for annuity/unitrust agreements	10,301,576	9,408,657
Total liabilities	10,854,351	9,916,200
Net assets:		
Unrestricted	8,496,524	7,060,688
Temporarily restricted	63,639,471	51,380,506
Permanently restricted	86,706,703	75,320,158
Total net assets	158,842,698	133,761,352
Total liabilities and net assets	$ 169,697,049	$ 143,677,552

The accompanying notes are an integral part of these financial statements.

The University of Akron Foundation

Statements of Activities
For the Year Ended June 30, 2007 with summarized financial information for the year ended June 30, 2006

	Unrestricted 2007	Temporarily Restricted 2007	Permanently Restricted 2007	Totals 2007	Totals 2006
Revenues and other additions:					
Contributions	$ 2,045	$ 5,529,957	$ 8,942,991	$ 14,474,993	$ 8,062,410
Net appreciation in the fair value of investments	1,385,966	13,854,739	900,961	16,141,666	6,817,879
Change in the fair value of split-interest agreements	(765)	2,055	1,719,002	1,720,292	463,368
Change in the fair value of beneficial interest in perpetual trusts	-	(2,693)	18,382	15,689	13,858
Dividend and interest income	2,019,751	976,367	6,423	3,002,541	2,425,044
Other income	-	154,778	-	154,778	125,155
Total revenues and other additions	3,406,997	20,515,203	11,587,759	35,509,959	17,907,714
Release of restrictions	8,457,452	(8,283,430)	(174,022)	-	-
Total revenues and other additions after release of restrictions	11,864,449	12,231,773	11,413,737	35,509,959	17,907,714
Expenses:					
Distributions to or for The University of Akron:					
Direct distributions to the University	9,404,213	-	-	9,404,213	9,333,286
Distributions on behalf of the University	393,802	-	-	393,802	255,339
Administration of the Foundation:					
Services performed by University personnel	348,244	-	-	348,244	347,411
Professional fees	115,042	-	-	115,042	95,402
Other administrative expenses	140,653	-	-	140,653	129,745
Office expenses	18,716	-	-	18,716	8,608
Insurance and taxes	7,943	-	-	7,943	7,934
Total expenses	10,428,613	-	-	10,428,613	10,177,725
Change in donor designation	-	27,192	(27,192)	-	-
Change in net assets	1,435,836	12,258,965	11,386,545	25,081,346	7,729,989
Net assets, beginning of year	7,060,688	51,380,506	75,320,158	133,761,352	126,031,363
Net assets, end of year	$ 8,496,524	$63,639,471	$86,706,703	$ 158,842,698	$ 133,761,352

The accompanying notes are an integral part of these financial statements.

The University of Akron Foundation

Statements of Cash Flows
For the Years Ended June 30, 2007 and 2006

	2007	2006
Operating activities:		
Change in net assets	$ 25,081,346	$ 7,729,989
Adjustments to reconcile increase in net assets to net cash provided by (used by) operating activities:		
Net appreciation in the fair value of investments	(16,141,666)	(6,817,879)
Contributed property	(3,505,906)	-
Contributions restricted for long-term investment	(5,437,085)	(1,677,318)
Change in fair value of split interest agreements	(1,720,292)	(463,368)
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	(45,438)	(62,775)
Pledges receivable, net	(1,911,656)	212,572
Beneficial interest in charitable lead trusts	95,717	99,626
Accounts payable and other liabilities	(69,045)	251,462
Net cash used in operating activities	(3,654,025)	(727,691)
Investing activities:		
Proceeds from sale of investments	100,112,708	69,717,966
Purchase of investments	(103,255,903)	(70,454,244)
Proceeds from the sale of property	128,762	-
Purchases of property	(15,000)	(401,385)
Net cash used in investing activities	(3,029,433)	(1,137,663)
Financing activities:		
Proceeds from contributions restricted for:		
Investment in endowment	5,392,975	1,480,642
Investment subject to annuity agreements	189,527	551,800
Other financing activities:		
Interest and dividends restricted for annuity agreements	209,498	198,347
Net appreciation restricted for annuity agreements	2,292,232	1,010,624
Payments of annuity obligations	(1,397,515)	(1,369,894)
Net cash provided by financing activities	6,686,717	1,871,519
Net increase in cash	3,259	6,165
Cash, beginning of year	81,688	75,523
Cash, end of year	$ 84,947	$ 81,688

The accompanying notes are an integral part of these financial statements.

1. Organization

The University of Akron Foundation (the "Foundation") is a not-for-profit organization. The Foundation's mission is to provide financial assistance to The University of Akron (the "University") by encouraging and administering gifts and bequests.

The Foundation receives contributions from the following support groups of the University:

John R. Buchtel Society (the Society)

The Society includes seven gift clubs, ranging from the Loyalty Club for annual donors of up to $99 to the 1870 Benefactors Club for lifetime contributions of $1 million or more.

Partners in Excellence (the Group)

The Group constitutes an array of companies, foundations, and business organizations providing financial, technical, and material assistance to the University, including:

- Unrestricted support to the University
- Support for the Crusade for Scholars Program
- Support for the Center for Economic Education
- Support for the Intercollegiate Athletic Program
- Support for Restricted Purposes

2. Significant Accounting Policies

Basis of Accounting
The accounts of the Foundation are maintained in accordance with the principles of not-for-profit accounting. The statements have been prepared on an accrual basis.

Basis of Presentation
The Foundation reports net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. This category includes unrestricted assets and uncollected pledges.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. This category includes true endowment earnings, quasi-endowment principal and earnings, a property annuity and property assets.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be maintained permanently by the Foundation. The donors of these assets permit the Foundation to use the income earned on related investments for general or specific purposes. This category includes annuity funds and true endowment principal.

2. Significant Accounting Policies, Continued

Revenues
Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation in non-underwater accounts, or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as the release of restrictions in the accompanying statements of activities.

Underwater Endowments
An endowment is created when a donor stipulates that only the earnings from the investment of the gift can be spent. If the market value of an endowment drops below the historic gift value, the endowment is considered to be underwater. The net depreciation of an underwater endowment will reduce unrestricted net assets. Any future gains will be used to restore the cumulative deficiency within unrestricted net assets. Once unrestricted net assets have been fully restored, net appreciation will be recorded within either temporarily or permanently restricted net assets, as required by the donor's restriction.

Income Taxes
The Foundation is an Ohio nonprofit organization, tax-exempt under Section 501(c)(3) of the Internal Revenue Code and exempt from federal, state and local income tax on related income.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Foundation's management to make estimates and assumptions that affect the reported amounts of 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.

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

Investments
Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. The fair values of investments are based on quoted market prices. Donated investments including donated property are recorded as contributions at fair value on the date received. Realized gains (losses) on investments are the difference between the proceeds received and the average cost of investments sold. Net appreciation in the fair value of investments (including realized gains (losses) and unrealized gains (losses) and dividends and interest) is included in revenues, gains and other income of unrestricted net assets, unless the net appreciation or investment income is restricted by the donor in a non-underwater account.

Property
Property is recorded at cost at date of acquisition or estimated fair value at date of donation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method.

2. **Significant Accounting Policies, Continued**

Pledges Receivable
The Foundation records pledges and unconditional promises to give as receivables and revenue in the year the pledge is made. Those that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as revenue until the conditions are substantially met.

Fair Value of Financial Instruments
The carrying values of cash and cash equivalents, accounts receivable and accounts payable and other liabilities are reasonable estimates of fair value due to the short-term nature of these financial instruments. Investments, pledges receivable and annuity payment liability are reported at fair value.

Credit Risk Concentrations
Financial instruments which potentially expose the Foundation to concentrations of credit risk include cash and cash equivalents, investments in marketable securities and pledges receivable. As a matter of policy, the Foundation only maintains cash balances with financial institutions having a high credit quality. Concentration of credit risk for investments in marketable securities is mitigated by both the distribution of investment funds among asset managers and the overall diversification of managed investment portfolios. Concentration of credit risk for pledges receivable is generally limited due to the dispersion of these balances over a wide base of donors.

Expenses
The Foundation's expenses are classified into two categories: (1) distributions to or for The University of Akron and (2) administration of the Foundation. The expenses relating to the administration of the Foundation include both fund raising and management and general activities.

3. **Investments**

Investments are stated at fair value. Fluctuations in fair value, as well as gains or losses on sales of securities, are recognized in the statements of activities. Investments as of June 30, 2007 and 2006 consisted of:

	2007	2006
Pooled investment funds managed for the Foundation:		
Smith Group	$ 18,410,512	$ 15,852,699
Oak Associates	-	7,110,924
Marvin & Palmer	16,183,356	7,645,565
The Common Fund	172,940	249,147
Advantage Select	4,726,378	4,248,836
Dreman Value Management	12,177,610	10,903,107
NFJ	13,142,434	11,372,199
Hotchkis & Wiley	11,604,383	10,361,628
Systematic Financial	-	2,098,630
Russell 2000 Value Index Fund	1,717,621	-
Essex	3,888,359	-
Integrity	5,377,519	6,554,548
Wasatch Advisors	3,615,525	7,803,714
Lazard Assets Management	-	22,004
Julius Baer	16,569,243	11,292,270
PIMCO	14,051,105	11,411,602
Metropolitan West	13,382,571	11,805,002
Total pooled investment funds	$ 135,019,556	$ 118,731,875
Mutual funds	7,152,429	6,641,282
U.S. Treasury obligations	734,837	1,514,716
Bonds	4,741,003	5,308,820
Commercial paper	8,225,000	3,875,000
Common stocks	867,070	800,687
Money market funds	874,501	1,471,797
Insurance policies, cash surrender value	271,770	257,128
Total fair value	$ 157,886,166	$ 138,601,305
Total cost	$ 140,230,083	$ 130,313,431

The pooled investment funds are invested in diverse portfolios. Limitations have been placed on the trust fund managers to stay within specified parameters in managing the portfolios.

Approximately 79% and 78% of the pooled investment funds were invested in common and preferred stocks in a variety of industries and 21% and 22% were invested in fixed income securities at June 30, 2007 and 2006, respectively.

The Foundation appropriates a limited portion of the appreciation on investments held by the pooled endowments for distribution to the University and other funds within the Foundation. Actual distributions from endowments are based on a spending policy set by the Foundation's Board of Directors. Under this spending policy, appropriated income is calculated at 5% of the average market value of endowment investments for the prior three years.

The fair value of certain donor-restricted endowments was less than the historic value of such funds by $453,364 and $1,062,919 at June 30, 2007 and 2006, respectively.

4. Pledges Receivable

Unconditional promises to give are included in the financial statements as pledges receivable. Pledges are recorded at their approximate present value. The future expected cash flows from pledges receivable have been discounted using a discount rate of 4.92% and 5.10% for pledges made during the years ended June 30, 2007 and June 30, 2006, respectively.

Pledges receivable at June 30, 2007 and 2006 are expected to be realized in the following periods.

	2007	2006
Less than one year	$ 1,750,273	$ 609,798
One to five years	2,548,240	1,552,364
More than five years	79,083	70,073
	4,377,596	2,232,235
Less amount estimated to be uncollectible	(418,390)	(205,984)
Less unamortized discount	(193,693)	(172,394)
Total pledges receivable, net	$ 3,765,513	$ 1,853,857

As of June 30, 2007, the Foundation has approximately $19,715,569 in numerous outstanding pledges which are considered to be intentions to give and are contingent upon future events. These pledges are not accrued as contributions receivable or recognized as revenue because they do not represent unconditional promises to give. It is not practicable to estimate the ultimate realizable value of these commitments or the period over which they might be collected.

5. Property

Property consists of the following at June 30:

Property Name	Nondepreciable	Depreciable	2007	2006
Brown Street Property	$ 81,000	$ -	$ 81,000	$ 81,000
Union Street Property	126,460	-	126,460	126,460
Miller Parkway Land	155,825	-	155,825	155,825
E. Exchange Street Property	401,385	-	401,385	401,385
Torrey Street Property	6,814	160,426	167,240	167,240
Avery Place Property	12,017	-	12,017	12,017
South Arlington Street Land	220,000	-	220,000	-
Heritage Centre Lot A	1,600,000		1,600,000	-
Heritage Centre Lot B	1,300,000		1,300,000	-
Heritage Centre Lot C	1,150,000		1,150,000	-
Heritage Centre Lot D	600,000	-	600,000	-
Less: accumulated depreciation	-	(160,426)	(160,426)	(160,426)
Total property, net	$ 5,653,501	$ -	$5,653,501	$783,501

6. Contributions Payable to the University

The Foundation may receive gifts on behalf of the University. The Foundation records a contribution payable to the University for such gifts. In 2007 and 2006, the Foundation recorded approximately $956,365 and $1,670,055 respectively, of contribution revenue for amounts received on behalf of the University.

7. Split-Interest Agreements

The Foundation has entered into charitable gift annuity agreements which include provisions requiring the Foundation to pay periodic fixed payments to beneficiaries during their lifetimes. Charitable gift annuities differ from other charitable giving options in that the annuity is a general obligation of the Foundation. Accordingly, if the assets of the gift are exhausted as a result of required payments to beneficiaries, then the unrestricted assets of the Foundation will be utilized to fund future payments.

The Foundation has also entered into unitrust, annuity trust and pooled income agreements which include provisions for the Foundation to pay beneficiaries periodic payments until either the assets of the trust have been exhausted or until death of the beneficiaries. Upon death of the beneficiaries, any remaining property in the trust or pooled income fund will be transferred to the Foundation in accordance with the agreements.

The Foundation accounts for such agreements by recording the fair market value of assets donated as of the date of the gift and by recording the actuarial present value of the annuities payable using the applicable IRS tables (discount rates used at June 30, 2007 and 2006 were 5.6% and 6.0%, respectively) based on the term of the agreement, as a liability. The balance of the gift is recorded as unrestricted, temporarily restricted, or permanently restricted contributions, as appropriate.

The Foundation's payments to beneficiaries under the split-interest agreements reduce the annuity liability. Adjustments to the annuity liability are made to report amortization of the discount and record changes in the life expectancy of the beneficiary. These adjustments, as well as the return on the underlying investment assets (fair value of $21,001,112 and $18,132,463 at June 30, 2007 and 2006, respectively), are recognized in the statement of activities as changes in the value of split-interest agreements.

8. Beneficial Interest in Lead Trusts

The Foundation has irrevocable rights to receive a portion of the specified cash flows from certain charitable lead trusts. The recorded beneficial interest in the lead trusts is based on the present value of the future cash flows to the Foundation using a discount rate of 4.89%. Due to the time restriction of the Foundation's access to the assets held in these trusts, the Foundation's interests in the lead trusts are recorded as temporarily and permanently restricted net assets as applicable. Adjustments to the carrying value of the trusts and income distributions received are recognized as increases or decreases in temporarily and permanently restricted net assets.

9. Beneficial Interest in Real Estate

The Foundation has the irrevocable right to receive ownership of certain real estate. The donor has retained the right to the use of the real estate for the donor's lifetime. The fair value of the real estate (based upon an independent appraisal) is reported as a beneficial interest in real estate and as temporarily restricted net assets. Also, based on the agreement, the Foundation is required to pay periodic fixed payments to the donor during his lifetime. The Foundation recorded the present value of this annuity payable using the applicable IRS tables (discount rates used at June 30, 2007 and 2006 were 5.6% and 6.0% respectively), based on the term of the agreement, as a liability.

10. Line of Credit

On January 2, 2007, the Foundation obtained a $5,000,000 revolving line of credit with National City Bank. Interest on the revolver is at a fluctuating rate of LIBOR Flex plus 0.40% per annum. At June 30, 2007, interest on the revolver was at 5.72%. There were no borrowings outstanding under this agreement at June 30, 2007. The Foundation is not required to pay a fee on the unused line of credit.

11. Net Assets

Unrestricted net assets at June 30, 2007 and June 30, 2006 are as follows:

	2007	2006
Current operations	$ 1,019,225	$ 835,553
Board designated	7,930,663	7,288,054
Underwater endowment adjustment	(453,364)	(1,062,919)
	$ 8,496,524	$ 7,060,688

Temporarily restricted net assets, principally related to scholarships, specific schools within the University, department chairs, and various other purposes related to support of the University at June 30, 2007 are as follows:

	2007	2006
Accumulated appreciation on endowment investments in accordance with the spending policy	$ 43,896,020	$ 34,252,902
Specific purpose funds	18,446,497	15,330,759
Split-interest agreements	56,301	72,345
Pledges receivable	1,240,653	1,724,500
	$ 63,639,471	$ 51,380,506

Permanently restricted net assets, principally related to scholarships, specific schools within the University, department chairs, and various other purposes related to support of the University at June 30, 2007 are as follows:

	2007	2006
Endowment funds	$ 73,538,608	$ 66,539,340
Split-interest agreements	10,643,235	8,651,461
Pledges receivable	2,524,860	129,357
	$ 86,706,703	$ 75,320,158

During fiscal 2007, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of scholarships and development of the University in the amount of $8,457,452 ($8,339,058 during fiscal 2006).

12. University Services

The University allocated certain overhead expenses to the Foundation totalling $348,244 and $347,411 in fiscal 2007 and 2006, respectively. These amounts are recorded as "Services performed by University personnel" in the statements of activities.

13. Revocable Trust

In February 1987, the Foundation was named beneficiary of a revocable trust which has investments totalling $118,001 and $109,855 at June 30, 2007 and 2006, respectively (on a fair value basis). The fair values of the trust's assets have been included in the statements of financial position as investment and refundable advances. All income of the trust is paid to the Foundation and recognized when received.

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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*

To the Board of Directors of
The University of Akron Foundation:

We have audited the financial statements of the University of Akron Foundation (the "Foundation") as of and for the year ended June 30, 2007, and have issued our report thereon dated September 14, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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

PricewaterhouseCoopers LLP

September 14, 2007
Cleveland, Ohio

Mary Taylor, CPA
Auditor of State

UNIVERSITY OF AKRON FOUNDATION

SUMMIT 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 13, 2007

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