THE EDISON FOUNDATION, INC.

FINANCIAL STATEMENTS

June 30, 2010 and 2009

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Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Report of Independent Auditors* of the Edison Foundation, Inc., Miami County, prepared by Crowe Horwath LLP, for the audit period July 1, 2009 through June 30, 2010. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 22, 2010

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THE EDISON FOUNDATION, INC.
Piqua, Ohio

FINANCIAL STATEMENTS
June 30, 2010 and 2009

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
The Edison Foundation, Inc.
Piqua, Ohio

We have audited the accompanying statements of financial position of The Edison Foundation, Inc. (the "Foundation"), a component unit of Edison State Community College, as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years 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.

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. 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, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years 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 15, 2010 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.

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
October 15, 2010

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THE EDISON FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 2,119,644	$ 2,098,693
Receivable		
Pledges	828,499	1,264,291
Interest and dividends	6,382	6,632
Investments	1,323,107	870,891
Total assets	$ 4,277,632	$ 4,240,507
LIABILITIES AND NET ASSETS		
Liabilities		
Payable to Edison State Community College	$ -	$ 21,016
Grants and other payables	-	100,000
Total liabilities	-	121,016
Net assets		
Unrestricted	886,697	812,164
Temporarily restricted	3,297,053	3,213,445
Permanently restricted	93,882	93,882
Total net assets	4,277,632	4,119,491
Total liabilities and net assets	$ 4,277,632	$ 4,240,507

See accompanying notes to financial statements.

THE EDISON FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Year ended June 30, 2010 with comparative 2009 totals

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2010	Total 2009
Revenues and other support					
Gifts and grants	$ 7,956	$ 461,417	$ -	$ 469,373	$ 205,086
Capital campaign	-	-	-	-	26,184
Investment earnings					
Interest and dividends	38,075	10,937	-	49,012	84,254
Net realized and unrealized gains (losses)	50,698	-	-	50,698	(432,096)
Net assets released from restrictions	388,746	(388,746)	-	-	-
Total revenues and other support	485,475	83,608	-	569,083	(116,572)
Expenses					
College scholarships awarded	36,698	-	-	36,698	118,572
Holiday evening event	85,788	-	-	85,788	98,396
Capital campaign	-	-	-	-	40,790
Debt service for College	208,908	-	-	208,908	374,408
Salary	-	-	-	-	35,000
Bad debt	-	-	-	-	5,290
Graduate academy	13,332	-	-	13,332	14,976
Investment advisory fee	18,322	-	-	18,322	22,712
Athletic department	22,175	-	-	22,175	-
Miscellaneous	25,719	-	-	25,719	25,343
Total expenses	410,942	-	-	410,942	735,487
Change in net assets	74,533	83,608	-	158,141	(852,059)
Net assets at beginning of year	812,164	3,213,445	93,882	4,119,491	4,971,550
Net assets at end of year	$ 886,697	$ 3,297,053	$ 93,882	$ 4,277,632	$ 4,119,491

See accompanying notes to financial statements.

THE EDISON FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Year ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Gifts and grants	$ 1,405	$ 175,644	$ 28,037	$ 205,086
Capital campaign	-	26,184	-	26,184
Investment earnings				
Interest and dividends	69,909	14,345	-	84,254
Net realized and unrealized gains	(323,769)	(108,327)	-	(432,096)
Net assets released from restrictions	615,475	(615,475)	-	-
Total revenues and other support	363,020	(507,629)	28,037	(116,572)
Expenses				
College scholarships awarded	118,572	-	-	118,572
Holiday evening event	98,396	-	-	98,396
Capital campaign	40,790	-	-	40,790
Debt service for College	374,408	-	-	374,408
Salary	35,000	-	-	35,000
Bad debt	5,290	-	-	5,290
Graduate Academy	14,976	-	-	14,976
Investment advisory fee	22,712	-	-	22,712
Miscellaneous	25,343	-	-	25,343
Total expenses	735,487	-	-	735,487
Change in net assets	(372,467)	(507,629)	28,037	(852,059)
Net assets at beginning of year	1,184,631	3,721,074	65,845	4,971,550
Net assets at end of year	$ 812,164	$ 3,213,445	$ 93,882	$ 4,119,491

See accompanying notes to financial statements.

THE EDISON FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Change in net assets	$ 158,141	$ (852,059)
Adjustments to reconcile change in net assets to net cash from operating activities		
Restricted gifts and grants	-	(28,037)
Net realized and unrealized (gains) losses	(50,698)	432,096
Change in other assets and liabilities		
Pledges receivable	435,792	560,530
Interest and dividends receivable	250	3,340
Grants and other payables	(121,016)	(21,105)
Net cash from operating activities	422,469	94,765
Cash flows from investing activities		
Cash paid for investments	(656,507)	(609,205)
Cash received from sale of investments	254,989	1,156,471
Net cash from investing activities	(401,518)	547,266
Cash flows from financing activities		
Restricted gifts and grants	-	28,037
Increase in cash and cash equivalents	20,951	670,068
Cash and cash equivalents, beginning of year	2,098,693	1,428,625
Cash and cash equivalents, end of year	$ 2,119,644	$ 2,098,693

See accompanying notes to financial statements.

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 Presentation: In accordance with generally accepted accounting principles as applied to not-for-profit organizations, the financial statements of the Foundation have been prepared on 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. Generally, these donor restrictions limit the use of these net assets to scholarships and other College programs.

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 and realized and unrealized gains and losses are reflected in the statement of activities. Fair value is determined by market quotations. Donated investments are recorded at fair value at the time received.

Investment Earnings: Interest and dividends from endowment investments are credited to temporarily restricted funds and spent in compliance with donor stipulations and the Foundation's spending policy. Interest and dividends from non-endowment investments are credited to the unrestricted fund for expenditure at the discretion of the Foundation's board of trustees. Realized gains or losses are determined based on the average cost method.

Net Assets Released from 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standards: In June 2009, the Financial Accounting Standards Board ("FASB") issued a standard regarding the FASB Accounting Standards Codification™ and the hierarchy of generally accepted accounting principles, which replaces the standard previously issued by the FASB regarding the hierarchy of generally accepted accounting principles. This standard identifies the source of accounting principles and the framework for selecting the principles used in the presentation of financial statements of non-governmental entities that are presented in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In addition, this standard establishes the FASB Accounting Standard Codification™ (the "Codification") as the source of authoritative U.S. GAAP recognized by the FASB to be applied by non-governmental entities in the preparation of financial statements in conformity with U.S. GAAP. All guidance contained in the Codification carries an equal level of authority. The initial date of the adoption of this standard was effective for financial statements issued for interim and annual periods ending after June 15, 2009. On June 3, 2009, FASB decided that this standard is effective for interim and annual periods ending after September 15, 2009. The Foundation adopted this standard during the year ended June 30, 2010.

In May 2009, the FASB issued a standard regarding accounting for subsequent events. This standard incorporates into authoritative accounting literature certain guidance that already existed within generally accepted auditing standards, but the rules concerning recognition and disclosure of subsequent events will remain essentially unchanged. Subsequent events guidance addresses events which occur after the statement of net assets date but before the issuance of financial statements. Under this guidance, as under current practice, an entity must record the effect of subsequent events that provide evidence about conditions that existed at the statement of net assets date but not record the effects of subsequent events which provide evidence about conditions that did not exist at the statement of net assets date. This standard is effective for periods ending after June 15, 2009. The Foundation adopted this standard during the year ended June 30, 2010.

The adoption of these standards did not have a significant impact on the Foundation's financial statements.

Fair Value of Financial Instruments: Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Subsequent Events: Management has evaluated events and transactions through October 15, 2010, the date the financial statements were available to be issued, for potential recognition or disclosure herein. Any discovery of additional evidence about conditions that existed at June 30, 2010, including the estimates inherent in the process of preparing financial statements would be recognized in these financial statements. Any discovery of evidence about conditions that did not exist at June 30, 2010, but arose thereafter, could be disclosed herein dependent on the nature and financial effect of the event on the Foundation.

The Foundation has maintained capital campaign and other contributions for the purpose of assisting the College with making principal and interest payments on the College's long term debt. On October 1, 2010, the Foundation transferred these balances, in the amount of $2,125,000, to the College based on the Board of Directors' determination that the College is better suited to manage risks and administer the funds supporting the College's payments on long-term debt.

(Continued)

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 82% of gifts and grants for the year ended June 30, 2010, while five donors accounted for 76% of gifts and grants for the year ended June 30, 2009.

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 – NET ASSETS

Net assets at June 30 consist of the following:

	June 30, 2010			June 30, 2009		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
Unrestricted	$ 22,962	$ -	$ -	$ 15,519	$ -	$ -
Savings	9,323	944	-	9,296	15,235	-
Capital	485,489	2,476,078	-	473,253	2,403,939	-
Scholarship	368,923	820,031	93,882	314,096	794,271	93,882
	$ 886,697	$ 3,297,053	$ 93,882	$ 812,164	$ 3,213,445	$ 93,882

NOTE 4 – ENDOWMENT COMPOSITION

The Foundation's endowment consists of donor-restricted and board designated endowment funds invested in portfolios held by Fifth Third. As required by applicable standards are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	$ -	$ -	$ 93,882	$ 93,882
Board designated endowment	216,201	736,551	-	952,752
	$ 216,201	$ 736,551	$ 93,882	$ 1,046,634

(Continued)

NOTE 4 – ENDOWMENT COMPOSITION (Continued)

Endowment net asset composition by type of fund as of June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	$ -	$ -	$ 93,882	$ 93,882
Board designated endowment	173,942	717,678	-	891,620
	$ 173,942	$ 717,678	$ 93,882	$ 985,502

Changes in endowment net assets for the year ended June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Endowment net assets, beginning of year	$ 173,942	$ 717,678	$ 93,882	$ 985,502
Investment return				
Investment income (net)	15,143	10,937	-	26,080
Net appreciation (depreciation)	30,599	-	-	30,599
Total investment return	45,742	10,937	-	56,679
Contributions	-	13,238	-	13,238
Appropriation of assets for expenditure	(3,483)	(5,302)	-	(8,785)
Endowment net assets, end of year	$ 216,201	$ 736,551	$ 93,882	$ 1,046,634

Changes in endowment net assets for the year ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Endowment net assets, beginning of year	$ 354,502	$ 861,308	$ 65,845	$ 1,281,655
Investment return				
Investment income (net)	19,854	14,330	-	34,184
Net appreciation (depreciation)	(150,414)	(108,327)	-	(258,741)
Total investment return	(130,560)	(93,997)	-	(224,557)
Contributions	-	367	28,037	28,404
Appropriation of assets for expenditure	(50,000)	(50,000)	-	(100,000)
Endowment net assets, end of year	$ 173,942	$ 717,678	$ 93,882	$ 985,502

(Continued)

NOTE 4 – ENDOWMENT COMPOSITION (Continued)

Interpretation of UPMIFA: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;

(2) The purposes of the organization and the donor-restricted endowment fund;

(3) General economic conditions;

(4) The possible effect of inflation and deflation;

(5) The expected total return from income and the appreciation of investments;

(6) Other resources of the organization; and

(7) The investment policies of the organization.

Return Objectives, Risk Parameters, and Strategies: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as funds functioning as endowment. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve an after cost total real rate of return, including investment income as well as a capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return. Investment risk is measured in terms of the total endowment funds; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation has a policy of only spending the earnings, including appreciation, of the endowment fund. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as provide additional real growth through new gifts and investment return.

(Continued)

NOTE 5 – INVESTMENTS

Fair value of investments by major types for the years ended June 30, 2010 and 2009 are as follows:

	2010	2009
Corporate bonds	$ 499,481	$ 356,552
Equities	304,900	240,793
Mutual funds – fixed income	374,133	176,586
Mutual funds – equities	144,593	96,960
	$ 1,323,107	$ 870,891

Net realized gains (losses) on sale of investments were $50,698 and $(314,800) for the years ended June 30, 2010 and 2009, respectively. There were no capital gains distributions in either year.

The investments in mutual funds are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term.

The investment policy is determined based on the goals, objectives and risk tolerance of the Foundation. As new information regarding the economic environment becomes available, the investment policy may need to be revised. Asset allocations fluctuate due to market performance, however, the target asset allocation is as follows:

Equity securities	25%
Fixed income	50%
Cash and cash equivalents	25%

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair values of debt and equity instruments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

(Continued)

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets and Liabilities Measured on a Recurring Basis:

Assets and liabilities measured at fair value on a recurring basis are summarized below (in thousands):

	Fair Value Measurements at June 30, 2010 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Corporate bonds	$ 499,481	$ -	$ -
Equities	304,900	-	-
Mutual funds – fixed income	374,133	-	-
Mutual funds – equities	144,593	-	-

	Fair Value Measurements at June 30, 2009 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Corporate bonds	$ 356,552	$ -	$ -
Equities	240,793	-	-
Mutual funds – fixed income	176,586	-	-
Mutual funds – equities	96,960	-	-

No assets are carried at fair value measured on a nonrecurring basis.

NOTE 7 – PLEDGES RECEIVABLE

As of June 30, 2010 and 2009, contributors to the Foundation have outstanding unconditional pledges totaling $1,045,155 and $1,586,020, respectively. Gross pledges receivable have been discounted to a net present value of $890,859 and $1,360,291 as of June 30, 2010 and 2009, respectively, which represents fair value. The discount rate was 5% for 2010 and 5% for 2009. An allowance for doubtful pledges of $62,360 and $96,000 has been applied to the gross receivable balance as of June 30, 2010 and 2009. 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. Net pledges are due as follows:

	2010	2009
Less than one year	$ 418,756	$ 491,651
One to five years	409,743	772,640
Total	$ 828,499	$ 1,264,291

(Continued)

NOTE 8 – SCHELL GRANT

In 2002, the Fifth Third Charitable Screening Committee (the "Committee") approved a grant totaling $100,000 from the Charles E. Schell Foundation, Fifth Third Bank, Trustee, to administer interest-free student loans through the College subject to certain conditions and approved annual renewal by the Committee. In 2010, the Foundation determined that the College was better suited to administer this program and transferred the grant to the College.

NOTE 9 – RELATED PARTY

Most of the Foundation's expenses are processed by the College. The Foundation reimburses the College monthly for those checks written on its behalf. For the year ended June 30, 2010, the College agreed to waive the Foundation's reimbursement of salaries expenses paid by the College on the Foundation's behalf. At June 30, 2009, the balance owed to the College for scholarships awarded was $21,016. There was no balance outstanding at June 30, 2010.

Crowe Horwath

Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT 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. Mary Taylor,
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, 2010, and have issued our report thereon dated October 15, 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 *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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, 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*.

(Continued)

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

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
October 15, 2010

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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 7, 2010