

THE OHIO HISTORICAL SOCIETY  
AND AFFILIATE  
Columbus, Ohio

Report on Audits of Consolidated Financial Statements  
and  
Additional Reports in Accordance  
with Government Auditing Standards  
and OMB Circular A-133

For the years ended June 30, 2003 and 2002





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Ohio Historical Society  
Columbus, Ohio 43211

We have reviewed the Independent Auditor's Report of the Ohio Historical Society, Franklin County, prepared by Schneider Downs & Company, Inc., 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 Ohio Historical Society is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

December 11, 2003

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
The Ohio Historical Society and Affiliate  
Columbus, Ohio

We have audited the consolidated statements of financial position of The Ohio Historical Society and Affiliate (the Organization) as of June 30, 2003 and 2002, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of The Ohio Historical Society Foundation, an affiliated entity, as of and for the year ended June 30, 2002, which statements reflect total assets and revenues constituting 75 percent and 97 percent, respectively, of the related consolidated totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Ohio Historical Society Foundation for 2002, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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 audits 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.

As discussed in Notes 1 and 9 to the financial statements, the Organization until June 30, 1997 had followed the practice of charging the acquisition cost of property to expense when purchased. Accounting principles generally accepted in the United States of America require that all such purchases be capitalized when purchased and depreciated over their estimated useful lives. The effects on the financial statements of the Organization's practice are not reasonably determinable.

In our opinion, based on our audit and the report of the other auditors, and except for the effects of not capitalizing and depreciating all property and equipment purchases as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of The Ohio Historical Society and Affiliate as of June 30, 2003 and 2002, 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 September 15, 2003 on our consideration of the Organization'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 audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

The accompanying consolidating financial statements as of and for the years ended June 30, 2003 and 2002 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Schnuder Downs & Co. P.C.".

Columbus, Ohio  
September 15, 2003



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THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2003 AND 2002

ASSETS	June 30, 2003			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Cash and cash equivalents (Notes 1 and 2)	\$ 3,394,012	\$ 1,392,035	\$ 74,387	\$ 4,860,434
Receivables:				
Grants	257,743	-	-	257,743
Contracts	1,081,862	-	-	1,081,862
Contributions	-	166,021	-	166,021
Other	75,651	2,270	-	77,921
Inventory (Note 1) (net of allowance of \$79,000 in 2003 and 2002)	640,631	-	-	640,631
Accrued interest receivable and other assets	224,923	12,527	94	237,544
Long-term investments (Note 3)	2,706,126	1,110,360	2,892,236	6,708,722
Fixed assets (Notes 1 and 9) (net of accumulated depreciation of \$564,000 in 2003 and \$435,000 in 2002)	386,431	-	-	386,431
Collections and exhibits (Note 8)	-	-	-	-
Total Assets	<u>\$ 8,767,379</u>	<u>\$ 2,683,213</u>	<u>\$ 2,966,717</u>	<u>\$ 14,417,309</u>
 LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accrued salaries and wages and other accrued liabilities (Note 1)	\$ 1,546,381	-	-	\$ 1,546,381
Accounts payable	925,909	-	-	925,909
Deferred state support	29,295	-	-	29,295
Deferred subscription and other revenue (Note 1)	331,922	-	-	331,922
Accrued leave liability (Note 1)	2,089,109	-	-	2,089,109
Total Liabilities	4,922,616	-	-	4,922,616
NET ASSETS (Note 1):				
Operations	560,687	\$ 1,149,239	-	1,709,926
Board designated:				
Reserves	451,141	-	-	451,141
Specific programs and projects	2,180,683	-	-	2,180,683
Ohio Bicentennial Commission	-	843,677	-	843,677
Endowments	-	-	\$ 2,966,717	2,966,717
Quasi-Endowment	652,252	690,297	-	1,342,549
Total Net Assets	3,844,763	2,683,213	2,966,717	9,494,693
Commitments (Note 10)	-	-	-	-
Total Liabilities and Net Assets	<u>\$ 8,767,379</u>	<u>\$ 2,683,213</u>	<u>\$ 2,966,717</u>	<u>\$ 14,417,309</u>

June 30, 2002

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 4,485,055	\$ 2,563,947	-	\$ 7,049,002
133,696	-	-	133,696
1,524,812	-	-	1,524,812
-	39,043	-	39,043
18,767	2,270	-	21,037
634,529	-	-	634,529
260,997	13,156	-	274,153
2,520,102	851,816	\$ 2,868,120	6,240,038
481,416	-	-	481,416
-	-	-	-
<u>\$ 10,059,374</u>	<u>\$ 3,470,232</u>	<u>\$ 2,868,120</u>	<u>\$ 16,397,726</u>

\$ 1,372,606	-	-	\$ 1,372,606
1,218,322	-	-	1,218,322
176,624	-	-	176,624
423,869	-	-	423,869
1,946,812	-	-	1,946,812
5,138,233	-	-	5,138,233
617,216	\$ 996,152	-	1,613,368
1,548,283	-	-	1,548,283
2,166,367	-	-	2,166,367
-	1,810,101	-	1,810,101
-	-	\$ 2,868,120	2,868,120
589,275	663,979	-	1,253,254
4,921,141	3,470,232	2,868,120	11,259,493
-	-	-	-
<u>\$ 10,059,374</u>	<u>\$ 3,470,232</u>	<u>\$ 2,868,120</u>	<u>\$ 16,397,726</u>

See accompanying notes to financial statements.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	Fiscal Year 2003			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>SUPPORT:</b>				
State appropriations:				
Operating subsidies (Note 1)	\$11,890,067	-	-	\$11,890,067
Capital projects (Notes 1 and 6)	4,275,044	-	-	4,275,044
Ohio Bicentennial Commission	-	\$ 6,129,228	-	6,129,228
Ohio Bicentennial Commission - other support	-	315,870	-	315,870
Federal grants	1,085,149	-	-	1,085,149
Contributions (Note 1)	263,327	503,598	\$ 97,782	864,707
Contributed materials and services (Note 1)	677,242	-	-	677,242
Other support	1,011,733	-	-	1,011,733
Total Support	19,202,562	6,948,696	97,782	26,249,040
<b>REVENUE:</b>				
Sales	697,187	-	-	697,187
Investment income (Note 3)	176,145	81,219	815	258,179
Admissions	756,192	-	-	756,192
Memberships	380,132	-	-	380,132
Special events	74,213	-	-	74,213
Archives library revenue	177,259	-	-	177,259
Facilities use revenue	116,366	-	-	116,366
Other revenue	265,752	-	-	265,752
Total Revenue	2,643,246	81,219	815	2,725,280
Net assets released from restrictions (Note 7)	7,805,854	(7,805,854)	-	-
Total Support and Revenues	29,651,662	(775,939)	98,597	28,974,320
<b>EXPENSES:</b>				
Program expenses:				
Site operations, educational & interpretive programs	12,176,866	-	-	12,176,866
State archives & library	1,908,655	-	-	1,908,655
Historic preservation office	1,691,878	-	-	1,691,878
Capital projects (Notes 1 and 6)	4,430,924	-	-	4,430,924
Ohio Bicentennial Commission	7,527,222	-	-	7,527,222
Support services:				
Management and general	2,608,328	-	-	2,608,328
Fundraising	579,050	-	-	579,050
Total Expenses	30,922,923	-	-	30,922,923
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investments	(1,271,261)	(775,939)	98,597	(1,948,603)
Collection items purchased but not capitalized (Note 9)	(56,342)	-	-	(56,342)
Change in net unrealized gains and losses (Note 3)	251,225	(11,080)	-	240,145
Changes in net assets	(1,076,378)	(787,019)	98,597	(1,764,800)
NET ASSETS, BEGINNING OF YEAR	4,921,141	3,470,232	2,868,120	11,259,493
NET ASSETS, END OF YEAR	<u>\$ 3,844,763</u>	<u>\$ 2,683,213</u>	<u>\$ 2,966,717</u>	<u>\$ 9,494,693</u>

Fiscal Year 2002			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$12,446,297	-	-	\$12,446,297
9,652,329	-	-	9,652,329
-	\$ 3,904,998	-	3,904,998
-	547,700	-	547,700
1,252,190	-	-	1,252,190
825,483	757,327	\$ 43,740	1,626,550
644,368	61,804	-	706,172
935,687	20,000	-	955,687
25,756,354	5,291,829	43,740	31,091,923
717,012	-	-	717,012
373,003	-	-	373,003
666,084	83,768	-	749,852
427,920	-	-	427,920
65,952	-	-	65,952
176,803	-	-	176,803
110,435	-	-	110,435
288,439	-	-	288,439
2,825,648	83,768	-	2,909,416
4,686,910	(4,686,910)	-	-
33,268,912	688,687	43,740	34,001,339
13,337,765	-	-	13,337,765
1,892,272	-	-	1,892,272
1,869,926	-	-	1,869,926
9,710,957	-	-	9,710,957
3,242,870	-	-	3,242,870
3,088,077	-	-	3,088,077
635,579	-	-	635,579
33,777,446	-	-	33,777,446
(508,534)	688,687	43,740	223,893
(56,769)	-	-	(56,769)
(686,434)	(81,441)	-	(767,875)
(1,251,737)	607,246	43,740	(600,751)
6,172,878	2,862,986	2,824,380	11,860,244
\$ 4,921,141	\$ 3,470,232	\$ 2,868,120	\$11,259,493

See accompanying notes to financial statements.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

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

	<u>2003</u>	<u>2002</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$(1,764,800)	\$ (600,751)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Uncollectible pledge expense	-	84,179
Change in unrealized (gains) losses on investments	(240,145)	767,875
Depreciation	123,518	130,016
Contributions restricted for long-term investment	(97,782)	(43,740)
Changes in assets and liabilities:		
Receivables	117,364	346,137
Inventory	(6,102)	81,572
Accrued interest receivable and other assets	36,609	(19,977)
Accrued salaries and wages and other accrued liabilities	173,775	45,778
Accounts payable	(274,736)	(11,600)
Deferred state support	(147,329)	81,706
Deferred subscription and other revenue	(91,947)	(501,958)
Accrued leave liability	142,297	(86,459)
Net Adjustments	<u>(264,478)</u>	<u>873,529</u>
Net Cash (Used In) Provided By Operating Activities	<u>(2,029,278)</u>	<u>272,778</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of long-term investments	(2,888,344)	(1,633,740)
Maturities of long-term investments	2,665,423	481,810
Proceeds from sale of short-term investments	-	103,551
Purchase of equipment and vehicles	(34,151)	(96,967)
Net Cash Used In Investing Activities	<u>(257,072)</u>	<u>(1,145,346)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions designated for endowment purposes	<u>97,782</u>	<u>43,740</u>
Net Decrease In Cash And Cash Equivalents	(2,188,568)	(828,828)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,049,002</u>	<u>7,877,830</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,860,434</u>	<u>\$ 7,049,002</u>

See accompanying notes to financial statements.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The Ohio Historical Society (Society) and Affiliate (collectively, the Organization) have been prepared on the accrual basis of accounting, except as discussed in Note 9. The significant accounting policies followed are described below.

Organization

The Society was incorporated in 1885 as a private nonprofit organization. The Society conducts programs that identify, authenticate, collect, preserve, educate and interpret records, objects and places related to Ohio's pre-history, history and natural history and publishes a historical journal, a magazine, books and pamphlets. The Society has been authorized and directed by numerous acts of the General Assembly of Ohio to perform certain functions such as manage the State historic preservation program, supervise the State archives and a major history library, and act as custodian and administrator of certain historic sites owned by the State. The Society operates several museums and sites (some of which are owned by the Society) throughout the State. The Society is governed by a board of trustees comprised of 21 members serving three-year staggered terms. Nine members of the board are elected by the Society's membership, nine members are appointed by the governor of the State, and three members are appointed by the Society's board.

The Ohio Historical Society Foundation (Foundation) is a not-for-profit corporation established in 1983 to assist the Society in its fundraising activities. The Foundation seeks, accepts and manages private contributions from organizations and individuals who believe in the preservation of Ohio's historical, natural and archeological heritage. It also applies for certain types of grants, both public and private, that serve the purposes for which the Society and Foundation were organized. Conestoga, a volunteer support group, was established by the Foundation to organize and carry out certain fundraising activities on behalf of the Foundation. The accounts of the Foundation, including Conestoga, are included in these consolidated financial statements.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups according to their nature, purpose, and donor-imposed restrictions and/or conditions.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, cash at financial institutions and financial instruments with an original maturity of 90 days or less.

Inventory

Inventory items consist of supplies and resale merchandise, and are valued at the lower of cost (first-in, first-out method) or market.

Property and Equipment

The Organization capitalizes in part the cost of property and equipment when incurred.

The Organization has established a fixed-asset policy and has capitalized property and equipment pertaining to Phase I of its plan addressing the issue of capitalizing all fixed assets, including real property. (See Note 9.)

Classes of assets are:

- Land
- Land renovations and improvements
- Buildings
- Building renovations and improvements
- Machinery and equipment
- Motor vehicles
- Construction-in-progress

Equipment is depreciated over the assets useful life and the expense charged against operations. Depreciation is calculated using the straight-line method.

Accrued Leave Liability

Vacation leave is earned by employees based on number of years of service and can be accumulated to a maximum that can be earned in four years of service (up to 800 hours), although upon termination, a maximum of three years (up to 600 hours) is paid out. Sick leave and personal leave are earned based on hours worked during the year. Sick leave accumulates without limit, while personal leave accumulates to a maximum of 40 hours.



THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employees may elect to be paid in cash for unused sick and personal leave annually (up to 56 and 40 hours, respectively). In FY2002, employees were given the additional option to be paid in cash for unused vacation leave up to 80 hours. The annual payout of unused vacation leave is subject to yearly reauthorization. In FY2003, no reauthorization was made. Employees are paid for all unused leave upon termination. When paid in cash, vacation and personal leave are paid at the employee's current hourly rate, while sick leave is paid at 50% of the current hourly rate.

Grants and Subsidies

The Organization receives grants from various government agencies. Revenue is recognized when earned, which is at the time qualifying expenses are incurred. The Organization's grant support activity is subject to review by the granting entities. The Organization also receives significant subsidies from the State of Ohio.

Subsidies appropriated to defray operational costs (mandated under Section 149 of the Ohio Revised Code) are recognized as unrestricted support when received, or in the case of the Ohio Bicentennial Commission, as temporarily restricted support. Subsidies appropriated for capital improvements are recognized as support at the time related expenditures are made. Any excess of receipts over expenditures for State capital improvement appropriations or government grants is recorded as deferred support.

Contributions and Memberships

Contributions are recorded as support when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. A portion of membership receipts, representing subscription revenue, is deferred and recognized over the period to which the subscriptions relate, and the remaining portion of membership receipts is recorded as revenue when received.

Collections and Exhibits

Purchased and contributed collection and library objects are not included in the statement of financial position. No amounts are included in the statement of activity and changes in net assets for contributed collection objects because reasonable estimates of value are generally not available due to the nature of the objects. Donated items fall in the category of works of art, historical treasures and similar assets. (See Note 8.)

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Board-Designated Net Assets

Board-Designated net assets are composed of net assets earmarked as reserves and for various programs and projects. The Board of Trustees can, at its discretion, change the intent and purpose as to how these funds are utilized.

Temporarily Restricted Net Assets

Temporarily restricted net assets are composed of net assets earmarked or appropriated for specific purposes or sites by external parties. At June 30, 2003 and 2002, respectively, the majority of these assets were earmarked for the Ohio Bicentennial Commission, educational or site-related programs.

Permanently Restricted Net Assets

Permanently restricted net assets are composed of net assets donated by external parties, the principal of which may not be spent. These endowed resources are invested and earnings generated are used to address specific program areas or general operations depending on the wishes of the donor. At June 30, 2003 and 2002, respectively, the majority of these assets addressed collection acquisitions and maintenance.

Quasi-endowment Funds

Quasi-endowment funds are maintained that contain a portion of undistributed earnings from a previous challenge grant and other unrestricted contributions earmarked as quasi-endowment by the Organization's Board of Trustees.

Contributed Facilities, Services and Materials

The Organization occupies, without charge, certain administrative offices owned by the State of Ohio. A substantial number of individuals have made significant contributions of their time to Organization programs. The Organization received in-kind contributions of services and materials that are reflected in the financial statements at their fair value. The value of these contributions is reflected in the consolidated statement of activity and changes in net assets as contributed materials and services and as program expenses. A breakdown of the kind of service volunteered, associated hours, and estimated value is shown on the following page.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Kind of Service</u>	<u>2003</u>		<u>2002</u>	
	<u>Hours Contributed</u>	<u>Estimated Value</u>	<u>Hours Contributed</u>	<u>Estimated Value</u>
Interpretive Services	46,442	\$464,419	42,000	\$421,168
Collection/Curatorial Services	3,856	54,483	4,800	67,600
Maintenance	4,745	47,450	3,300	32,900
Research	2,150	32,693	4,100	61,900
Clerical Services	649	9,727	2,100	30,900
Gift Shop/Sales	362	3,620	2,300	22,900
Fundraising	1,718	50,750	2,440	61,804
All Other Services	<u>984</u>	<u>14,100</u>	<u>500</u>	<u>7,000</u>
Total	<u>60,906</u>	<u>\$677,242</u>	<u>61,540</u>	<u>\$706,172</u>

The Organization received other in-kind contributions of services that are not reflected in the consolidated financial statements since they do not meet the recognition criteria in Statement of Financial Accounting Standards No. 116.

Salary Deferral Plans

Employees of the Organization are eligible to participate, on a voluntary basis, in several salary deferral plans that permit the deferral of compensation to future years. These plans are covered by either Section 457 or Section 403(b) of the Internal Revenue Code. All deferred compensation is paid to third-party administrators.

Income Taxes

The Society and Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is required.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 reported period. Actual results could differ from those estimates.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of:	<u>6/30/03</u>	<u>6/30/02</u>
Cash	\$ 1,074,140	\$ 902,878
Money Market Funds - STAR Ohio	1,725,590	1,701,041
Money Market Funds - All Others	2,060,704	1,965,754
Commercial Paper	-	<u>2,479,329</u>
	<u>\$ 4,860,434</u>	<u>\$ 7,049,002</u>

Concentration of Financial Risk

As of June 30, 2003, the Organization had bank deposits that were in excess of the federally insured limit. The realization of these deposits depends upon the stability of the financial institution with which the company conducts business. The Organization also has investments in securities that are subject to fluctuation in market value.

3. LONG-TERM INVESTMENTS

Long-term investments are presented in the financial statements at market (fair value). Long-term investments primarily consist of an externally managed portfolio (managed by Fifth Third Investments) that includes stocks and fixed-income securities and an equity fund managed by Diamond Hill Investments. The organization has the ability to hold all certificates of deposit until maturity.

Long-term investments at June 30 consist of:

	<u>2003</u>		<u>2002</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Certificates of Deposit	\$ 699,000	\$ 699,000	\$ 699,000	\$ 699,000
Common & Preferred Stocks	2,388,662	2,551,477	3,419,212	3,463,848
Corporate & State Gov't Bonds	1,271,294	1,408,638	1,984,658	2,077,190
Diamond Hill Focus Fund	<u>1,757,884</u>	<u>2,049,607</u>	-	-
Total	<u>\$6,116,840</u>	<u>\$6,708,722</u>	<u>\$6,102,870</u>	<u>\$6,240,038</u>

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

3. LONG-TERM INVESTMENTS (Continued)

Investment returns for the year ending June 30 are as follows:

	<u>2003</u>	<u>2002</u>
Interest & Dividends	\$ 258,179	\$ 456,771
Realized Gains & Losses	(198,795)	(135,197)
Unrealized Gains & Losses	<u>438,940</u>	<u>(632,678)</u>
Total	<u>\$ 498,324</u>	<u>\$ (311,104)</u>

At June 30, 2003, the Organization had on deposit with the Ohio Bureau of Employment Services \$149,000 of Certificates of Deposit (recorded as long-term investments in unrestricted funds). This deposit is collateral for unemployment repayments and is required by State statute for reimbursing employers.

4. PROMISES TO GIVE

As of June 30, 2003 and 2002, the Organization had net outstanding pledges receivable approximating \$166,000 and \$39,000, respectively. Certain pledges are donor restricted for specific programs or specific sites, while others are for general operations. Most pledges are due within one year.

5. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Organization contributes to the Public Employees Retirement System of Ohio (System), a cost-sharing, multiple-employer public employee retirement system administered by the Public Employees Retirement Board. The System provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System.

Plan members, Organization employees, are required to contribute 8.5% of their annual covered salary to fund pension obligations, and the Organization is required to contribute 13.31% in 2002 and 2001. Contributions are authorized by State statute, and the contribution rates are determined actuarially. The Organization's contributions to the System for the years ended June 30, 2003 and 2002 were approximately \$1,670,000 and \$1,755,000, respectively, equal to the required contributions for each year.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

5. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Post-Employment Benefits Other Than Pension Benefits

The System also provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. A portion of each employer's contribution to the System is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The fiscal year 2003 and 2002 employer contribution rates were 13.31% of covered payroll; 4.3% was the portion that was used to fund health care for both years.

The Ohio Revised Code provides the statutory authority permitting public employers to fund post-retirement health care through their contributions to the System.

The System's audited estimated net assets available for payment of benefits at December 2001 (the latest information available) were \$53,972 million.

6. STATE CAPITAL APPROPRIATIONS

As of June 30, 2003, the Organization still has available for future use bond money appropriated to the Ohio Arts and Sports Facilities Commission from the State of Ohio for various capital projects in the amount of \$10,172,000. Budgetary restrictions imposed by the State of Ohio may reduce the amount of funds actually available.

7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donor.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2003 AND 2002

8. COLLECTIONS AND EXHIBITS

The Society does not capitalize its artifacts and collections. The Society's museum collections consist of approximately 2,300,000 objects divided into three broad categories: archaeology, natural history, and history. The archaeological collection contains objects from all prehistoric cultures in the Midwest. The natural history collection preserves representative specimens of mineral, flora, fauna and fossils from the region that is now Ohio. The history collection documents the people, events and activities of Ohio's historic period from 1650 to the present. The library contains one of the largest museum collections of books, microfilm, manuscripts, maps, state and local government records, newspapers, photographs, films, videos and recordings.

The Society has a formal collection policy that addresses the acquisition, use and disposition of objects as well as guidelines for making and receiving loans.

The Society had no material deaccessions during fiscal years 2003 and 2002.

9. PROPERTY AND EQUIPMENT

The Society is addressing the issue of capitalizing and depreciating all property and equipment by implementing changes in two phases. Phase I addresses primarily office furniture and equipment, computers and related equipment, and motor vehicles. Phase II will address real property.

Equipment capitalized and accumulated depreciation (pertaining to Phase I) at June 30, 2003 and 2002 are as follows:

	<u>2003</u>	<u>2002</u>
Machinery and Equipment	\$ 509,928	\$ 494,529
Vehicles	<u>440,935</u>	<u>422,182</u>
Gross Fixed Assets	950,863	916,711
Less Accumulated Depreciation	<u>564,432</u>	<u>435,295</u>
Net Book Value	<u>\$ 386,431</u>	<u>\$ 481,416</u>

Depreciation expense for the years ended June 30, 2003 and 2002 approximated \$129,000 and \$130,000, respectively.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2002

10. COMMITMENTS AND CONTINGENCIES

The Organization is committed to certain levels of cost sharing (match) pertaining to specific federal grants, and is obligated to complete various ongoing capital projects.

The Organization is involved in litigation incidental to its operations. In the opinion of management, the ultimate resolution of these issues will not have a significant adverse effect of the consolidated financial position of the Organization.



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

Board of Trustees  
The Ohio Historical Society and Affiliate  
Columbus, Ohio

We have audited the financial statements of The Ohio Historical Society and Affiliate (the Organization) as of and for the year ended June 30, 2003, and have issued our report thereon dated September 15, 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.

As discussed in Note 9 to the financial statements, the Organization until June 30, 1997 had followed the practice of charging the acquisition cost of property and equipment to expense when purchased. Accounting principles generally accepted in the United States of America require that all such purchases be capitalized when purchased and depreciated over their estimated useful lives. The effects on the financial statements of the Organization's practice are not reasonably determinable.

Compliance

As part of obtaining reasonable assurance about whether the Organization'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 audit, 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 Organization'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. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Organization in a separate letter dated September 15, 2003.

This report is intended solely for the information and use of the Board of Trustees, Auditor of State of Ohio, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Schneider Downs . A. Pm.*

Columbus, Ohio  
September 15, 2003

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees  
The Ohio Historical Society, and Affiliate  
Columbus, Ohio

Compliance

We have audited the compliance of The Ohio Historical Society and Affiliate (the Organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, Auditor of State of Ohio, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Schneider Downs, A. Am.*

Columbus, Ohio  
September 15, 2003



THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2003

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant transactions of The Ohio Historical Society and Affiliate (the Organization) recorded on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2. Subrecipients

Of the federal expenditures presented in the accompanying schedule, the Ohio Historical Society provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
National Historic Preservation Act	15.904	<u>\$ 116,101</u>

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2003

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statement Section:

Internal Control Over Financial Reporting:

Type of auditors' report issued:	Qualified
Material weaknesses identified	No
Reportable conditions identified	None reported
Noncompliance material to financial statements noted	No

Federal Awards Section:

Internal Control Over Major Program:

Material weaknesses identified	No
Reportable conditions identified	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Audit findings required to be reported in accordance with Section 501(a) of OMB Circular A-133	No

Identification of Major Program:

CFDA NUMBER  
15.904

FEDERAL PROGRAM TITLE  
Historic Preservation Fund

Dollar threshold to determine Type A programs:	\$300,000
Auditee qualified as a low-risk auditee	No

SECTION 2 - FINANCIAL STATEMENT FINDINGS

No matters reported.

SECTION 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.

THE OHIO HISTORICAL SOCIETY, INC. AND AFFILIATE

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2002

FINANCIAL STATEMENT FINDINGS

No matters reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.



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THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2003

ASSETS	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash and cash equivalents	\$2,922,905	\$ 883,215	-	\$3,806,120	\$ 471,107	\$ 508,820	\$ 74,387	\$ 1,054,314
Receivables:								
Grants	257,743	-	-	257,743	-	-	-	-
Contracts	1,081,862	-	-	1,081,862	-	-	-	-
Contributions	-	-	-	-	-	166,021	-	166,021
Other	118,805	-	-	118,805	1,480	2,270	-	3,750
Inventory (net of allowance of \$79,000)	640,631	-	-	640,631	-	-	-	-
Accrued interest receivable and other assets	211,867	-	-	211,867	13,056	12,527	94	25,677
Long-term investments	699,000	-	-	699,000	2,007,126	1,110,360	2,892,236	6,009,722
Fixed assets (Net of accumulated depreciation of \$564,000)	386,431	-	-	386,431	-	-	-	-
Total Assets	<u>\$6,319,244</u>	<u>\$ 883,215</u>	<u>-</u>	<u>\$7,202,459</u>	<u>\$2,492,769</u>	<u>\$1,799,998</u>	<u>\$2,966,717</u>	<u>\$ 7,259,484</u>
LIABILITIES AND NET ASSETS								
LIABILITIES:								
Accrued salaries and wages and other accrued liabilities	\$1,546,381	-	-	\$1,546,381	-	-	-	-
Accounts payable	925,909	-	-	925,909	\$ 44,634	-	-	\$ 44,634
Deferred state support	29,295	-	-	29,295	-	-	-	-
Deferred subscription and other revenue	331,922	-	-	331,922	-	-	-	-
Accrued leave liability	2,089,109	-	-	2,089,109	-	-	-	-
Total Liabilities	4,922,616	-	-	4,922,616	44,634	-	-	44,634
NET ASSETS:								
Operations	301,818	\$ 39,538	-	341,356	258,869	\$1,109,701	-	1,368,570
Board designated:								
Reserves	451,141	-	-	451,141	-	-	-	-
Specific programs and projects	643,669	-	-	643,669	1,537,014	-	-	1,537,014
Ohio Bicentennial Commission	-	843,677	-	843,677	-	-	-	-
Endowments	-	-	-	-	-	-	\$2,966,717	2,966,717
Quasi-Endowment	-	-	-	-	652,252	690,297	-	1,342,549
Total Net Assets	<u>1,396,628</u>	<u>883,215</u>	<u>-</u>	<u>2,279,843</u>	<u>2,448,135</u>	<u>1,799,998</u>	<u>2,966,717</u>	<u>7,214,850</u>
Total Liabilities and Net Assets	<u>\$6,319,244</u>	<u>\$ 883,215</u>	<u>-</u>	<u>\$7,202,459</u>	<u>\$2,492,769</u>	<u>\$1,799,998</u>	<u>\$2,966,717</u>	<u>\$ 7,259,484</u>

Combined Total				Intercompany Adjustments		Consolidated Total			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS Total	OHF Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 3,394,012	\$1,392,035	\$ 74,387	\$ 4,860,434	-	-	\$3,394,012	\$1,392,035	\$ 74,387	\$ 4,860,434
257,743	-	-	257,743	-	-	257,743	-	-	257,743
1,081,862	-	-	1,081,862	-	-	1,081,862	-	-	1,081,862
-	166,021	-	166,021	-	-	-	166,021	-	166,021
120,285	2,270	-	122,555	\$ (44,634)	-	75,651	2,270	-	77,921
640,631	-	-	640,631	-	-	640,631	-	-	640,631
224,923	12,527	94	237,544	-	-	224,923	12,527	94	237,544
2,706,126	1,110,360	2,892,236	6,708,722	-	-	2,706,126	1,110,360	2,892,236	6,708,722
386,431	-	-	386,431	-	-	386,431	-	-	386,431
<u>\$ 8,812,013</u>	<u>\$2,683,213</u>	<u>\$2,966,717</u>	<u>\$14,461,943</u>	<u>\$ (44,634)</u>	<u>-</u>	<u>\$8,767,379</u>	<u>\$2,683,213</u>	<u>\$2,966,717</u>	<u>\$14,417,309</u>
\$ 1,546,381	-	-	\$ 1,546,381	-	-	\$1,546,381	-	-	\$ 1,546,381
970,543	-	-	970,543	-	\$ (44,634)	925,909	-	-	925,909
29,295	-	-	29,295	-	-	29,295	-	-	29,295
331,922	-	-	331,922	-	-	331,922	-	-	331,922
2,089,109	-	-	2,089,109	-	-	2,089,109	-	-	2,089,109
4,967,250	-	-	4,967,250	-	(44,634)	4,922,616	-	-	4,922,616
560,687	\$1,149,239	-	1,709,926	-	-	560,687	\$1,149,239	-	1,709,926
451,141	-	-	451,141	-	-	451,141	-	-	451,141
2,180,683	-	-	2,180,683	-	-	2,180,683	-	-	2,180,683
-	843,677	-	843,677	-	-	-	843,677	-	843,677
-	-	\$2,966,717	2,966,717	-	-	-	-	\$2,966,717	2,966,717
652,252	690,297	-	1,342,549	-	-	652,252	690,297	-	1,342,549
3,844,763	2,683,213	2,966,717	9,494,693	-	-	3,844,763	2,683,213	2,966,717	9,494,693
<u>\$ 8,812,013</u>	<u>\$2,683,213</u>	<u>\$2,966,717</u>	<u>\$14,461,943</u>	<u>-</u>	<u>\$ (44,634)</u>	<u>\$8,767,379</u>	<u>\$2,683,213</u>	<u>\$2,966,717</u>	<u>\$14,417,309</u>

See independent auditors' report.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2002

ASSETS	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash and cash equivalents	\$4,631,355	\$2,205,908	-	\$ 6,837,263	\$ (146,300)	\$ 358,039	-	\$ 211,739
Receivables:								
Grants	133,696	-	-	133,696	-	-	-	-
Contracts	1,524,812	-	-	1,524,812	-	-	-	-
Contributions	-	-	-	-	-	39,043	-	39,043
Other	45,674	-	-	45,674	50	2,270	-	2,320
Inventory (net of allowance of \$79,000)	634,529	-	-	634,529	-	-	-	-
Accrued interest receivable and other assets	247,841	-	-	247,841	13,156	13,156	-	26,312
Long-term investments	1,811,506	-	\$ 549,642	2,361,148	708,596	851,816	\$2,318,478	3,878,890
Fixed assets (Net of accumulated depreciation of \$435,000)	481,416	-	-	481,416	-	-	-	-
Total Assets	<u>\$9,510,829</u>	<u>\$2,205,908</u>	<u>\$ 549,642</u>	<u>\$12,266,379</u>	<u>\$ 575,502</u>	<u>\$1,264,324</u>	<u>\$2,318,478</u>	<u>\$4,158,304</u>
LIABILITIES AND NET ASSETS								
LIABILITIES:								
Accrued salaries and wages and other accrued liabilities	\$1,372,606	-	-	\$ 1,372,606	-	-	-	-
Accounts payable	1,218,322	-	-	1,218,322	\$ 26,957	-	-	\$ 26,957
Deferred state support	176,624	-	-	176,624	-	-	-	-
Deferred subscription and other revenue	418,319	-	-	418,319	5,550	-	-	5,550
Accrued leave liability	1,946,812	-	-	1,946,812	-	-	-	-
Total Liabilities	5,132,683	-	-	5,132,683	32,507	-	-	32,507
NET ASSETS:								
Operations	663,496	\$ 395,807	-	1,059,303	(46,280)	\$ 600,345	-	554,065
Board designated:								
Reserves	1,548,283	-	-	1,548,283	-	-	-	-
Specific programs and projects	2,166,367	-	-	2,166,367	-	-	-	-
Ohio Bicentennial Commission	-	1,810,101	-	1,810,101	-	-	-	-
Endowments	-	-	\$ 549,642	549,642	-	-	\$2,318,478	2,318,478
Quasi-Endowment	-	-	-	-	589,275	663,979	-	1,253,254
Total Net Assets	<u>4,378,146</u>	<u>2,205,908</u>	<u>549,642</u>	<u>7,133,696</u>	<u>542,995</u>	<u>1,264,324</u>	<u>2,318,478</u>	<u>4,125,797</u>
Total Liabilities and Net Assets	<u>\$9,510,829</u>	<u>\$2,205,908</u>	<u>\$ 549,642</u>	<u>\$12,266,379</u>	<u>\$ 575,502</u>	<u>\$1,264,324</u>	<u>\$2,318,478</u>	<u>\$4,158,304</u>

Combined Total				Intercompany Adjustments		Consolidated Total			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS Total	OHF Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 4,485,055	\$2,563,947	-	\$ 7,049,002	-	-	\$ 4,485,055	\$2,563,947	-	\$ 7,049,002
133,696	-	-	133,696	-	-	133,696	-	-	133,696
1,524,812	-	-	1,524,812	-	-	1,524,812	-	-	1,524,812
-	39,043	-	39,043	-	-	-	39,043	-	39,043
45,724	2,270	-	47,994	\$ (26,957)	-	18,767	2,270	-	21,037
634,529	-	-	634,529	-	-	634,529	-	-	634,529
260,997	13,156	-	274,153	-	-	260,997	13,156	-	274,153
2,520,102	851,816	\$2,868,120	6,240,038	-	-	2,520,102	851,816	\$2,868,120	6,240,038
481,416	-	-	481,416	-	-	481,416	-	-	481,416
<u>\$10,086,331</u>	<u>\$3,470,232</u>	<u>\$2,868,120</u>	<u>\$16,424,683</u>	<u>\$ (26,957)</u>	<u>-</u>	<u>\$10,059,374</u>	<u>\$3,470,232</u>	<u>\$2,868,120</u>	<u>\$16,397,726</u>
\$ 1,372,606	-	-	\$ 1,372,606	-	-	\$ 1,372,606	-	-	\$ 1,372,606
1,245,279	-	-	1,245,279	-	\$ (26,957)	1,218,322	-	-	1,218,322
176,624	-	-	176,624	-	-	176,624	-	-	176,624
423,869	-	-	423,869	-	-	423,869	-	-	423,869
1,946,812	-	-	1,946,812	-	-	1,946,812	-	-	1,946,812
5,165,190	-	-	5,165,190	-	(26,957)	5,138,233	-	-	5,138,233
617,216	\$ 996,152	-	1,613,368	-	-	617,216	996,152	-	1,613,368
1,548,283	-	-	1,548,283	-	-	1,548,283	-	-	1,548,283
2,166,367	-	-	2,166,367	-	-	2,166,367	-	-	2,166,367
-	1,810,101	-	1,810,101	-	-	-	1,810,101	-	1,810,101
-	-	\$2,868,120	2,868,120	-	-	-	-	\$2,868,120	2,868,120
589,275	663,979	-	1,253,254	-	-	589,275	663,979	-	1,253,254
4,921,141	3,470,232	2,868,120	11,259,493	-	-	4,921,141	3,470,232	2,868,120	11,259,493
<u>\$10,086,331</u>	<u>\$3,470,232</u>	<u>\$2,868,120</u>	<u>\$16,424,683</u>	<u>-</u>	<u>\$ (26,957)</u>	<u>\$10,059,374</u>	<u>\$3,470,232</u>	<u>\$2,868,120</u>	<u>\$16,397,726</u>

See independent auditors' report.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2003

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>								
State appropriations:								
Operating subsidies	\$11,890,067	-	-	\$11,890,067	-	-	-	-
Capital projects	4,275,044	-	-	4,275,044	-	-	-	-
Ohio Bicentennial Commission	-	\$6,129,228	-	6,129,228	-	-	-	-
Ohio Bicentennial Commission - other support	-	315,870	-	315,870	-	-	-	-
Federal grants	1,085,149	-	-	1,085,149	-	-	-	-
Foundation distributions	618,492	-	-	618,492	-	-	-	-
Contributions	15,070	14,837	\$ 12,852	42,759	\$ 253,257	\$ 488,761	\$ 84,930	\$ 826,948
Contributed materials and services	626,492	-	-	626,492	50,750	-	-	50,750
Other support	1,012,767	-	-	1,012,767	1,537,014	379,914	562,494	2,479,422
<b>Total Support</b>	<b>19,523,081</b>	<b>6,459,935</b>	<b>12,852</b>	<b>25,995,868</b>	<b>1,841,021</b>	<b>868,675</b>	<b>647,424</b>	<b>3,357,120</b>
<b>REVENUE:</b>								
Sales	697,187	-	-	697,187	-	-	-	-
Investment income	110,846	9,311	-	120,157	65,299	71,908	815	138,022
Admissions	756,575	-	-	756,575	-	-	-	-
Memberships	380,132	-	-	380,132	-	-	-	-
Special events	74,213	-	-	74,213	-	-	-	-
Archives library revenue	177,259	-	-	177,259	-	-	-	-
Facilities use revenue	116,366	-	-	116,366	-	-	-	-
Other revenue	232,341	-	-	232,341	33,411	-	-	33,411
<b>Total Revenue</b>	<b>2,544,919</b>	<b>9,311</b>	<b>-</b>	<b>2,554,230</b>	<b>98,710</b>	<b>71,908</b>	<b>815</b>	<b>171,433</b>
Net assets released from restrictions	7,400,945	(7,400,945)	-	-	404,909	(404,909)	-	-
<b>Total Support and Revenues</b>	<b>29,468,945</b>	<b>(931,699)</b>	<b>12,852</b>	<b>28,550,098</b>	<b>2,344,640</b>	<b>535,674</b>	<b>648,239</b>	<b>3,528,553</b>
<b>EXPENSES:</b>								
Program expenses:								
Site operations, educational & interpretive programs	12,176,866	-	-	12,176,866	-	-	-	-
State archives & library	1,908,655	-	-	1,908,655	-	-	-	-
Historic preservation office	1,691,878	-	-	1,691,878	-	-	-	-
Capital projects	4,430,924	-	-	4,430,924	-	-	-	-
Ohio Bicentennial Commission	7,527,222	-	-	7,527,222	-	-	-	-
Support services:								
Management and general	2,565,290	-	-	2,565,290	43,038	-	-	43,038
Fundraising	528,300	-	-	528,300	50,750	-	-	50,750
<b>Total Expenses</b>	<b>30,829,135</b>	<b>-</b>	<b>-</b>	<b>30,829,135</b>	<b>93,788</b>	<b>-</b>	<b>-</b>	<b>93,788</b>
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investments	(1,360,190)	(931,699)	12,852	(2,279,037)	2,250,852	535,674	648,239	3,434,765
Collection items purchased but not capitalized	(56,342)	-	-	(56,342)	-	-	-	-
Change in net unrealized gains and losses	(27,972)	(11,080)	-	(39,052)	279,197	-	-	279,197
Changes in net assets before transfers	(1,444,504)	(942,779)	12,852	(2,374,431)	2,530,049	535,674	648,239	3,713,962
Transfers to the Ohio Historical Society Foundation	(1,537,014)	(379,914)	(562,494)	(2,479,422)	-	-	-	-
Transfers to the Ohio Historical Society	-	-	-	-	(624,909)	-	-	(624,909)
Change in net assets	(2,981,518)	(1,322,693)	(549,642)	(4,853,853)	1,905,140	535,674	648,239	3,089,053
NET ASSETS, BEGINNING OF YEAR	4,378,146	2,205,908	549,642	7,133,696	542,995	1,264,324	2,318,478	4,125,797
NET ASSETS, END OF YEAR	<u>\$ 1,396,628</u>	<u>\$ 883,215</u>	<u>-</u>	<u>\$ 2,279,843</u>	<u>\$2,448,135</u>	<u>\$1,799,998</u>	<u>\$2,966,717</u>	<u>\$ 7,214,850</u>

Combined Total				Intercompany Adjustments		Consolidated Total			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$11,890,067	-	-	\$11,890,067	-	-	\$11,890,067	-	-	\$ 11,890,067
4,275,044	-	-	4,275,044	-	-	4,275,044	-	-	4,275,044
-	\$6,129,228	-	6,129,228	-	-	-	\$6,129,228	-	6,129,228
-	315,870	-	315,870	-	-	-	315,870	-	315,870
1,085,149	-	-	1,085,149	-	-	1,085,149	-	-	1,085,149
618,492	-	-	618,492	\$ (618,492)	-	-	-	-	-
268,327	503,598	\$ 97,782	869,707	(5,000)	-	263,327	503,598	\$ 97,782	864,707
677,242	-	-	677,242	-	-	677,242	-	-	677,242
2,549,781	379,914	562,494	3,492,189	(1,034)	\$(2,479,422)	1,011,733	-	-	1,011,733
21,364,102	7,328,610	660,276	29,352,988	(624,526)	(2,479,422)	19,202,562	6,948,696	97,782	26,249,040
697,187	-	-	697,187	-	-	697,187	-	-	697,187
176,145	81,219	815	258,179	-	-	176,145	81,219	815	258,179
756,575	-	-	756,575	(383)	-	756,192	-	-	756,192
380,132	-	-	380,132	-	-	380,132	-	-	380,132
74,213	-	-	74,213	-	-	74,213	-	-	74,213
177,259	-	-	177,259	-	-	177,259	-	-	177,259
116,366	-	-	116,366	-	-	116,366	-	-	116,366
265,752	-	-	265,752	-	-	265,752	-	-	265,752
2,643,629	81,219	815	2,725,663	(383)	-	2,643,246	81,219	815	2,725,280
7,805,854	(7,805,854)	-	-	-	-	7,805,854	(7,805,854)	-	-
31,813,585	(396,025)	661,091	32,078,651	(624,909)	(2,479,422)	29,651,662	(775,939)	98,597	28,974,320
12,176,866	-	-	12,176,866	-	-	12,176,866	-	-	12,176,866
1,908,655	-	-	1,908,655	-	-	1,908,655	-	-	1,908,655
1,691,878	-	-	1,691,878	-	-	1,691,878	-	-	1,691,878
4,430,924	-	-	4,430,924	-	-	4,430,924	-	-	4,430,924
7,527,222	-	-	7,527,222	-	-	7,527,222	-	-	7,527,222
2,608,328	-	-	2,608,328	-	-	2,608,328	-	-	2,608,328
579,050	-	-	579,050	-	-	579,050	-	-	579,050
30,922,923	-	-	30,922,923	-	-	30,922,923	-	-	30,922,923
890,662	(396,025)	661,091	1,155,728	(624,909)	(2,479,422)	(1,271,261)	(775,939)	98,597	(1,948,603)
(56,342)	-	-	(56,342)	-	-	(56,342)	-	-	(56,342)
251,225	(11,080)	-	240,145	-	-	251,225	(11,080)	-	240,145
1,085,545	(407,105)	661,091	1,339,531	(624,909)	(2,479,422)	(1,076,378)	(787,019)	98,597	(1,764,800)
(1,537,014)	(379,914)	(562,494)	(2,479,422)	2,479,422	-	-	-	-	-
(624,909)	-	-	(624,909)	-	624,909	-	-	-	-
(1,076,378)	(787,019)	98,597	(1,764,800)	1,854,513	(1,854,513)	(1,076,378)	(787,019)	98,597	(1,764,800)
4,921,141	3,470,232	2,868,120	11,259,493	-	-	4,921,141	3,470,232	2,868,120	11,259,493
\$ 3,844,763	\$2,683,213	\$2,966,717	\$ 9,494,693	\$1,854,513	\$(1,854,513)	\$ 3,844,763	\$2,683,213	\$2,966,717	\$ 9,494,693

See independent auditors' report.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2002

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>								
State appropriations:								
Operating subsidies	\$12,446,297	-	-	\$12,446,297	-	-	-	-
Capital projects	9,652,329	-	-	9,652,329	-	-	-	-
Ohio Bicentennial Commission	-	\$3,904,998	-	3,904,998	-	-	-	-
Ohio Bicentennial Commission -other support	-	547,700	-	547,700	-	-	-	-
Federal grants	1,252,190	-	-	1,252,190	-	-	-	-
Foundation distributions	793,186	-	-	793,186	-	-	-	-
Contributions	633,321	250,493	\$ 18,640	902,454	\$ 192,162	\$ 506,834	\$ 25,100	\$ 724,096
Contributed materials and services	644,368	-	-	644,368	-	61,804	-	61,804
Other support	971,093	20,000	-	991,093	627,530	-	-	627,530
<b>Total Support</b>	<b>26,392,784</b>	<b>4,723,191</b>	<b>18,640</b>	<b>31,134,615</b>	<b>819,692</b>	<b>568,638</b>	<b>25,100</b>	<b>1,413,430</b>
<b>REVENUE:</b>								
Sales	717,012	-	-	717,012	-	-	-	-
Investment income	318,314	31,177	-	349,491	54,689	52,591	-	107,280
Admissions	667,874	-	-	667,874	-	-	-	-
Memberships	427,920	-	-	427,920	-	-	-	-
Special events	67,952	-	-	67,952	-	-	-	-
Archives library revenue	176,803	-	-	176,803	-	-	-	-
Facilities use revenue	110,435	-	-	110,435	-	-	-	-
Other revenue	266,188	-	-	266,188	22,251	-	-	22,251
<b>Total Revenue</b>	<b>2,752,498</b>	<b>31,177</b>	<b>-</b>	<b>2,783,675</b>	<b>76,940</b>	<b>52,591</b>	<b>-</b>	<b>129,531</b>
Net assets released from restrictions	3,898,544	(3,898,544)	-	-	788,366	(788,366)	-	-
<b>Total Support and Revenues</b>	<b>33,043,826</b>	<b>855,824</b>	<b>18,640</b>	<b>33,918,290</b>	<b>1,684,998</b>	<b>(167,137)</b>	<b>25,100</b>	<b>1,542,961</b>
<b>EXPENSES:</b>								
Program expenses:								
Site operations, educational & interpretive programs	13,337,765	-	-	13,337,765	-	-	-	-
State archives & library	1,892,272	-	-	1,892,272	-	-	-	-
Historic preservation office	1,869,926	-	-	1,869,926	-	-	-	-
Capital projects	9,710,957	-	-	9,710,957	-	-	-	-
Ohio Bicentennial Commission	3,242,870	-	-	3,242,870	-	-	-	-
Support services:								
Management and general	2,897,377	-	-	2,897,377	190,700	-	-	190,700
Fundraising	635,579	-	-	635,579	-	-	-	-
<b>Total Expenses</b>	<b>33,586,746</b>	<b>-</b>	<b>-</b>	<b>33,586,746</b>	<b>190,700</b>	<b>-</b>	<b>-</b>	<b>190,700</b>
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investments	(542,920)	855,824	18,640	331,544	1,494,298	(167,137)	25,100	1,352,261
Collection items purchased but not capitalized	(56,769)	-	-	(56,769)	-	-	-	-
Change in net unrealized gains and losses	(192,638)	(81,441)	-	(274,079)	(493,796)	-	-	(493,796)
Changes in net assets before transfers	(792,327)	774,383	18,640	696	1,000,502	(167,137)	25,100	858,465
Transfers to the Ohio Historical Society Foundation	(627,530)	-	-	(627,530)	-	-	-	-
Transfers to the Ohio Historical Society	-	-	-	-	(894,186)	-	-	(894,186)
Change in net assets	(1,419,857)	774,383	18,640	(626,834)	106,316	(167,137)	25,100	(35,721)
NET ASSETS, BEGINNING OF YEAR	5,798,003	1,431,525	531,002	7,760,530	374,875	1,431,461	2,293,378	4,099,714
NET ASSETS, END OF YEAR	\$ 4,378,146	\$2,205,908	\$ 549,642	\$ 7,133,696	\$ 481,191	\$1,264,324	\$2,318,478	\$4,063,993



Combined Total				Intercompany Adjustments		Consolidated Total			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$12,446,297	-	-	\$12,446,297	-	-	\$ 12,446,297	-	-	12,446,297
9,652,329	-	-	9,652,329	-	-	9,652,329	-	-	9,652,329
-	\$3,904,998	-	3,904,998	-	-	-	\$ 3,904,998	-	3,904,998
-	547,700	-	547,700	-	-	-	547,700	-	547,700
1,252,190	-	-	1,252,190	-	-	1,252,190	-	-	1,252,190
793,186	-	-	793,186	\$ (793,186)	-	-	-	-	-
825,483	757,327	\$ 43,740	1,626,550	-	-	825,483	757,327	\$ 43,740	1,626,550
644,368	61,804	-	706,172	-	\$ (61,804)	644,368	61,804	-	706,172
1,598,623	20,000	-	1,618,623	(35,406)	(627,530)	935,687	20,000	-	955,687
27,212,476	5,291,829	43,740	32,548,045	(828,592)	(689,334)	25,756,354	5,291,829	43,740	31,091,923
717,012	-	-	717,012	-	-	717,012	-	-	717,012
373,003	83,768	-	456,771	-	-	373,003	83,768	-	456,771
667,874	-	-	667,874	(1,790)	-	666,084	-	-	666,084
427,920	-	-	427,920	-	-	427,920	-	-	427,920
67,952	-	-	67,952	(2,000)	-	65,952	-	-	65,952
176,803	-	-	176,803	-	-	176,803	-	-	176,803
110,435	-	-	110,435	-	-	110,435	-	-	110,435
288,439	-	-	288,439	-	-	288,439	-	-	288,439
2,829,438	83,768	-	2,913,206	(3,790)	-	2,825,648	83,768	-	2,909,416
4,686,910	(4,686,910)	-	-	-	-	4,686,910	(4,686,910)	-	-
34,728,824	688,687	43,740	35,461,251	(832,382)	(689,334)	33,268,912	688,687	43,740	34,001,339
13,337,765	-	-	13,337,765	-	-	13,337,765	-	-	13,337,765
1,892,272	-	-	1,892,272	-	-	1,892,272	-	-	1,892,272
1,869,926	-	-	1,869,926	-	-	1,869,926	-	-	1,869,926
9,710,957	-	-	9,710,957	-	-	9,710,957	-	-	9,710,957
3,242,870	-	-	3,242,870	-	-	3,242,870	-	-	3,242,870
3,088,077	-	-	3,088,077	-	-	3,088,077	-	-	3,088,077
635,579	-	-	635,579	-	-	635,579	-	-	635,579
33,777,446	-	-	33,777,446	-	-	33,777,446	-	-	33,777,446
951,378	688,687	43,740	1,683,805	(832,382)	(689,334)	(508,534)	688,687	43,740	223,893
(56,769)	-	-	(56,769)	-	-	(56,769)	-	-	(56,769)
(686,434)	(81,441)	-	(767,875)	-	-	(686,434)	(81,441)	-	(767,875)
208,175	607,246	43,740	859,161	(832,382)	(689,334)	(1,251,737)	607,246	43,740	(600,751)
(627,530)	-	-	(627,530)	627,530	-	-	-	-	-
(894,186)	-	-	(894,186)	-	894,186	-	-	-	-
(1,313,541)	607,246	43,740	(662,555)	(204,852)	204,852	(1,251,737)	607,246	43,740	(600,751)
6,172,878	2,862,986	2,824,380	11,860,244	-	-	6,172,878	2,862,986	2,824,380	11,860,244
\$ 4,859,337	\$3,470,232	\$ 2,868,120	\$11,197,689	\$ (204,852)	\$ 204,852	\$ 4,921,141	\$ 3,470,232	\$ 2,868,120	\$11,259,493

See independent auditors' report.

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Betty Montgomery**

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**OHIO HISTORICAL SOCIETY**

**FRANKLIN 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 23, 2003**