

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, 2004 and 2003



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of The Ohio Historical Society and Affiliate, Franklin County, prepared by Schneider Downs & Co., Inc., for the audit period July 1, 2003 through June 30, 2004. 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 and Affiliate is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY
Auditor of State

May 2, 2005

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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, 2004 and 2003, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated 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 consolidated financial statements of the Organization's practice are not reasonably determinable.

In our opinion, except for the effects of not capitalizing and depreciating all property and equipment purchases as discussed in the preceding paragraph, the consolidated 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, 2004 and 2003, 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 August 24, 2004 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 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 considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of the Organization taken as a whole. 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 consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

The accompanying consolidating financial statements as of and for the years ended June 30, 2004 and 2003 are presented for the purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and in our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Schneider Downs Co. Inc.

Columbus, Ohio
August 24, 2004

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THE OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2004 AND 2003

ASSETS	June 30, 2004			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Cash and cash equivalents (Notes 1 and 2)	\$ 3,554,205	\$ 1,370,583	\$ 431,877	\$ 5,356,665
Receivables:				
Grants	179,586	-	-	179,586
Contracts	680,092	-	-	680,092
Contributions	-	293,689	-	293,689
Other	20,164	2,270	-	22,434
Inventory (Note 1) (net of allowance of \$167,000 in 2004 and \$79,000 in 2003)	511,931	-	-	511,931
Accrued interest receivable and other assets	204,829	141,715	365	346,909
Long-term investments (Note 3)	3,119,924	1,627,678	2,761,326	7,508,928
Property and equipment (Notes 1 and 9) (net of accumulated depreciation of \$660,000 in 2004 and \$564,000 in 2003)	318,812	-	-	318,812
Collections and exhibits (Note 8)	-	-	-	-
Total Assets	<u>\$ 8,589,543</u>	<u>\$ 3,435,935</u>	<u>\$ 3,193,568</u>	<u>\$ 15,219,046</u>
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accrued salaries and wages and other accrued liabilities (Note 1)	\$ 1,291,071	\$ 90,597	-	\$ 1,381,668
Accounts payable	510,226	-	-	510,226
Deferred state support	20,033	-	-	20,033
Deferred subscription and other revenue (Note 1)	346,452	-	-	346,452
Accrued leave liability (Note 1)	1,600,366	-	-	1,600,366
Total Liabilities	3,768,148	90,597	-	3,858,745
NET ASSETS (Note 1):				
Operations	2,995,396	2,054,368	-	5,049,764
Board designated:				
Reserves	461,988	-	-	461,988
Specific programs and projects	364,143	-	-	364,143
Ohio Bicentennial Commission	-	587,663	-	587,663
Endowments	-	-	\$ 3,193,568	3,193,568
Quasi-Endowment	997,270	705,905	-	1,703,175
Total Net Assets	<u>4,818,797</u>	<u>3,347,936</u>	<u>3,193,568</u>	<u>11,360,301</u>
Commitments (Note 10)	-	-	-	-
Total Liabilities and Net Assets	<u>\$ 8,586,945</u>	<u>\$ 3,438,533</u>	<u>\$ 3,193,568</u>	<u>\$ 15,219,046</u>

June 30, 2003

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 3,394,012	\$ 1,392,035	\$ 74,387	\$ 4,860,434
257,743	-	-	257,743
1,081,862	-	-	1,081,862
-	166,021	-	166,021
75,651	2,270	-	77,921
640,631	-	-	640,631
224,923	12,527	94	237,544
2,706,126	1,110,360	2,892,236	6,708,722
386,431	-	-	386,431
-	-	-	-
<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
925,909	-	-	925,909
29,295	-	-	29,295
331,922	-	-	331,922
2,089,109	-	-	2,089,109
4,922,616	-	-	4,922,616
2,097,701	\$ 1,149,239	-	3,246,940
451,141	-	-	451,141
643,669	-	-	643,669
-	843,677	-	843,677
-	-	\$ 2,966,717	2,966,717
652,252	690,297	-	1,342,549
<u>3,844,763</u>	<u>2,683,213</u>	<u>2,966,717</u>	<u>9,494,693</u>
-	-	-	-
<u>\$ 8,767,379</u>	<u>\$ 2,683,213</u>	<u>\$ 2,966,717</u>	<u>\$ 14,417,309</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, 2004 AND 2003

	Fiscal Year 2004			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT:				
State appropriations:				
Operating subsidies (Note 1)	\$ 13,154,887	-	-	\$ 13,154,887
Capital projects (Notes 1 and 6)	1,989,805	-	-	1,989,805
Ohio Bicentennial Commission	-	\$ 1,773,349	-	1,773,349
Ohio Bicentennial Commission - other support	-	259,465	-	259,465
Federal grants	951,733	-	-	951,733
Contributions (Note 1)	452,912	1,168,678	\$ 215,886	1,837,476
Contributed materials and services (Note 1)	639,554	-	-	639,554
Other support	622,299	-	9,414	631,713
Total Support	17,811,190	3,201,492	225,300	21,237,982
REVENUE:				
Sales	627,060	-	-	627,060
Investment income (Note 3)	115,285	76,601	1,551	193,437
Admissions	739,330	-	-	739,330
Memberships	353,671	-	-	353,671
Special events	127,744	-	-	127,744
Archives library revenue	222,464	-	-	222,464
Facilities use revenue	130,451	-	-	130,451
Other revenue	305,777	-	-	305,777
Total Revenue	2,621,782	76,601	1,551	2,699,934
Net assets released from restrictions (Note 7)	2,613,370	(2,613,370)	-	-
Total Support and Revenues	23,046,342	664,723	226,851	23,937,916
EXPENSES:				
Program expenses:				
Site operations, educational and interpretive programs	11,438,697	-	-	11,438,697
State archives and library	1,699,346	-	-	1,699,346
Historic preservation office	1,558,698	-	-	1,558,698
Capital projects (Notes 1 and 6)	2,166,674	-	-	2,166,674
Ohio Bicentennial Commission	2,173,158	-	-	2,173,158
Support services:				
Management and general	2,834,134	-	-	2,834,134
Early Retirement Incentive Program	392,130	-	-	392,130
Fundraising	364,130	-	-	364,130
Total Expenses	22,626,967	-	-	22,626,967
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investments	419,375	664,723	226,851	1,310,949
Collection items purchased but not capitalized (Note 8)	(38,112)	-	-	(38,112)
Realized gains and (losses)	145,045	-	-	145,045
Change in net unrealized gains (Note 3)	447,726	-	-	447,726
Changes in net assets	974,034	664,723	226,851	1,865,608
NET ASSETS, BEGINNING OF YEAR	3,844,763	2,683,213	2,966,717	9,494,693
NET ASSETS, END OF YEAR	\$ 4,818,797	\$ 3,347,936	\$ 3,193,568	\$ 11,360,301

Fiscal Year 2003

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 11,890,067	-	-	\$ 11,890,067
4,275,044	-	-	4,275,044
-	\$ 6,129,228	-	6,129,228
-	315,870	-	315,870
1,085,149	-	-	1,085,149
263,327	503,598	\$ 97,782	864,707
677,242	-	-	677,242
1,011,733	-	-	1,011,733
<u>19,202,562</u>	<u>6,948,696</u>	<u>97,782</u>	<u>26,249,040</u>
697,187	-	-	697,187
176,145	81,219	815	258,179
756,192	-	-	756,192
380,132	-	-	380,132
74,213	-	-	74,213
177,259	-	-	177,259
116,366	-	-	116,366
265,752	-	-	265,752
<u>2,643,246</u>	<u>81,219</u>	<u>815</u>	<u>2,725,280</u>
<u>7,805,854</u>	<u>(7,805,854)</u>	<u>-</u>	<u>-</u>
<u>29,651,662</u>	<u>(775,939)</u>	<u>98,597</u>	<u>28,974,320</u>
12,029,326	-	-	12,029,326
1,908,655	-	-	1,908,655
1,691,878	-	-	1,691,878
4,430,924	-	-	4,430,924
7,527,222	-	-	7,527,222
2,853,761	-	-	2,853,761
-	-	-	-
481,157	-	-	481,157
<u>30,922,923</u>	<u>-</u>	<u>-</u>	<u>30,922,923</u>
(1,271,261)	(775,939)	98,597	(1,948,603)
(56,342)	-	-	(56,342)
(198,795)	-	-	(198,795)
450,020	(11,080)	-	438,940
<u>(1,076,378)</u>	<u>(787,019)</u>	<u>98,597</u>	<u>(1,764,800)</u>
<u>4,921,141</u>	<u>3,470,232</u>	<u>2,868,120</u>	<u>11,259,493</u>
<u>\$ 3,844,763</u>	<u>\$ 2,683,213</u>	<u>\$ 2,966,717</u>	<u>\$ 9,494,693</u>

See accompanying notes to financial statements.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,865,608	\$ (1,764,800)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Unrealized gains on investments	(592,772)	(240,145)
Depreciation	109,647	123,518
Contributions restricted for long-term investment	(215,886)	(97,782)
Changes in assets and liabilities:		
Receivables	407,746	117,364
Inventory	128,700	(6,102)
Accrued interest receivable and other assets	(109,365)	36,609
Accrued salaries and wages and other accrued liabilities	(164,713)	173,775
Accounts payable	(415,683)	(274,736)
Deferred state support	(9,262)	(147,329)
Deferred subscription and other revenue	14,530	(91,947)
Accrued leave liability	(488,743)	142,297
Net Adjustments	<u>(1,335,801)</u>	<u>(264,478)</u>
Net Cash Provided By (Used In) Operating Activities	<u>529,807</u>	<u>(2,029,278)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of long-term investments	(1,350,745)	(2,888,344)
Maturities of long-term investments	1,143,311	2,665,423
Purchase of equipment and vehicles	(42,028)	(34,151)
Net Cash Used In Investing Activities	<u>(249,462)</u>	<u>(257,072)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions designated for endowment purposes	<u>215,886</u>	<u>97,782</u>
Net Increase (Decrease) In Cash And Cash Equivalents	496,231	(2,188,568)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,860,434</u>	<u>7,049,002</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,356,665</u>	<u>\$ 4,860,434</u>

See accompanying notes to financial statements.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

NOTE 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 the State of 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's 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 nonprofit 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.

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.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - The Organization capitalizes the cost of property and equipment when incurred.

Classes of assets are:

- Land,
- Land renovations and improvements,
- Buildings,
- Building renovations and improvements,
- Machinery and equipment,
- Motor vehicles, and
- 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.

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.

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.

Employees may elect to be paid in cash for unused sick and personal leave annually (up to 56 and 40 hours, respectively). 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.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 revenues, are deferred and recognized over the period to which the subscriptions relate, and the remaining portion of membership receipts are 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.)

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, 2004 and 2003, 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, 2004 and 2003, respectively, the majority of these assets addressed collection acquisitions and maintenance.

Quasi-Endowment Funds - The Organization maintains quasi-endowment funds, which 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, 2004 AND 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Kind of Service	2004		2003	
	Hours Contributed	Estimated Value	Hours Contributed	Estimated Value
Interpretive Services	\$ 40,951	\$ 409,510	\$ 46,442	\$ 464,419
Collection/Curatorial Services	3,271	46,920	3,856	54,483
Maintenance	4,370	43,700	4,745	47,450
Research	1,968	29,520	2,150	32,693
Clerical Services	1,178	17,663	649	9,727
Gift Shop/Sales	722	7,220	362	3,620
Fundraising	1,535	72,009	1,718	50,750
All Other Services	953	13,012	984	14,100
Total	<u>\$ 54,948</u>	<u>\$ 639,554</u>	<u>\$ 60,906</u>	<u>\$ 677,242</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.

Reclassifications - Certain amounts in the June 30, 2003 financial statements have been reclassified to conform to the current year's presentation.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30 are comprised of:	<u>2004</u>	<u>2003</u>
Cash	\$ 2,107,067	\$ 1,074,140
Money Market Funds - All Others	2,011,421	2,060,704
Money Market Funds - STAR Ohio	<u>1,238,177</u>	<u>1,725,590</u>
Total	<u>\$ 5,356,665</u>	<u>\$ 4,860,434</u>

Concentration of Financial Risk - As of June 30, 2004, 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 Organization conducts business. The Organization also has investments in securities that are subject to fluctuation in market value.

NOTE 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>2004</u>		<u>2003</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Certificates of Deposit	\$ 699,006	\$ 699,006	\$ 699,000	\$ 699,000
Common and Preferred Stocks	2,926,676	3,288,156	2,388,662	2,551,477
Corporate and State Gov't				
Bonds	1,053,819	1,113,430	1,271,294	1,408,638
Diamond Hill Focus Fund	<u>1,757,884</u>	<u>2,408,336</u>	<u>1,757,884</u>	<u>2,049,607</u>
Total	<u>\$6,437,385</u>	<u>\$7,508,928</u>	<u>\$6,116,840</u>	<u>\$6,708,722</u>

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

NOTE 3 - LONG-TERM INVESTMENTS (Continued)

Investment returns for the years ended June 30 are as follows:

	<u>2004</u>	<u>2003</u>
Interest and Dividends	\$ 193,437	\$ 258,179
Realized Gains (Losses)	145,045	(198,795)
Unrealized Gains	<u>447,726</u>	<u>438,940</u>
Total	<u>\$ 786,208</u>	<u>\$ 498,324</u>

At June 30, 2004, 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.

NOTE 4 - PROMISES TO GIVE

As of June 30, 2004 and 2003, the Organization had net outstanding pledges receivable approximating \$294,000 and \$166,000, 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.

NOTE 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 healthcare 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 2004 and 2003. 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, 2004 and 2003 were approximately \$1,463,000 and \$1,670,000, respectively, equal to the required contributions for each year.

Post-Employment Benefits Other Than Pension Benefits - The System also provides post-retirement healthcare 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 healthcare. The Ohio Revised Code provides statutory authority for employer contributions. The fiscal years 2004 and 2003 employer contribution rates were 13.31% of covered payroll; 4.3% was the portion that was used to fund healthcare for both years.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

NOTE 5 - PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

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

The System's audited estimated net assets available for payment of benefits at December 2003 (the latest information available) were \$59,098 million.

NOTE 6 - STATE CAPITAL APPROPRIATIONS

As of June 30, 2004, the Organization still has available for future use bond money appropriated to the Ohio Arts and Sports Facilities Commission from the State for various capital projects in the amount of \$7,748,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

NOTE 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.

NOTE 8 - COLLECTIONS AND EXHIBITS

The Organization does not capitalize its artifacts and collections. The Organization'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 Organization has a formal collection policy that addresses the acquisition, use and disposition of objects as well as guidelines for making and receiving loans.

The Organization had no material deaccessions during fiscal years 2004 and 2003.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

NOTE 9 - PROPERTY AND EQUIPMENT

Equipment capitalized and accumulated depreciation at June 30, 2004 and 2003 are as follows (See Note 1):

	<u>2004</u>	<u>2003</u>
Machinery and Equipment	\$ 539,947	\$ 509,928
Vehicles	438,469	440,935
Gross Fixed Assets	<u>978,416</u>	<u>950,863</u>
Less Accumulated Depreciation	<u>(659,604)</u>	<u>(564,432)</u>
Net Book Value	<u>\$ 318,812</u>	<u>\$ 386,431</u>

Depreciation expense for the years ended June 30, 2004 and 2003 approximated \$110,000 and \$124,000, respectively.

NOTE 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 subject to certain legal claims and matters incurred in the normal course of business. Management believes the impact of any outstanding matters as of June 30, 2004 will not have a material adverse effect on the Organization's financial position and results of operations.

SUPPLEMENTARY FINANCIAL INFORMATION

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
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 consolidated financial statements of The Ohio Historical Society and Affiliate (the Organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated August 24, 2004. 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 consolidated 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 consolidated financial statements of the Organization's practice are not reasonably determinable.

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 consolidated financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 caused by error or fraud in amounts that would be material in relation to the consolidated financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 that are required to be reported under *Government Auditing Standards*.

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.

Schnuder Downs Co. Inc.

Columbus, Ohio
August 24, 2004

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, 2004. 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, 2004.

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 reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud 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.

A handwritten signature in cursive script that reads "Schneider Downs & Co. Inc." The signature is written in dark ink and is positioned on the right side of the page.

Columbus, Ohio
August 24, 2004

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

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>\$ 70,479</u>

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

SECTION I - 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 510(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 II - FINANCIAL STATEMENT FINDINGS

No matters reported.

SECTION III - 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.

ADDITIONAL INFORMATION

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THE OHIO HISTORICAL SOCIETY AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2004

ASSETS	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Permanently	Total
		Restricted	Restricted			Restricted	Restricted	
Cash and cash equivalents	\$ 2,674,324	\$ 587,738	-	\$ 3,262,062	\$ 879,881	\$ 782,845	\$ 431,877	\$ 2,094,603
Receivables:								
Grants	179,586	-	-	179,586	-	-	-	-
Contracts	680,092	-	-	680,092	-	-	-	-
Contributions	-	-	-	-	-	293,689	-	293,689
Other	97,859	-	-	97,859	100	2,270	-	2,370
Inventory (net of allowance of \$167,000)	511,931	-	-	511,931	-	-	-	-
Accrued interest receivable and other assets	192,678	105,915	-	298,593	12,151	35,800	365	48,316
Long-term investments	699,007	-	-	699,007	2,420,917	1,627,678	2,761,326	6,809,921
Property and equipment (Net of accumulated depreciation of \$660,000)	318,812	-	-	318,812	-	-	-	-
Total Assets	\$ 5,354,289	\$ 693,653	-	\$ 6,047,942	\$ 3,313,049	\$ 2,742,282	\$ 3,193,568	\$ 9,248,899
LIABILITIES AND NET ASSETS								
LIABILITIES:								
Accrued salaries and wages and other accrued liabilities	\$ 1,291,071	\$ 90,597	-	\$ 1,381,668	-	-	-	-
Accounts payable	510,226	-	-	510,226	\$ 77,795	-	-	\$ 77,795
Deferred state support	20,033	-	-	20,033	-	-	-	-
Deferred subscription and other revenue	346,452	-	-	346,452	-	-	-	-
Accrued leave liability	1,600,366	-	-	1,600,366	-	-	-	-
Total Liabilities	3,768,148	90,597	-	3,858,745	77,795	-	-	77,795
NET ASSETS:								
Operations	760,010	15,393	-	775,403	2,235,386	\$ 2,038,975	-	4,274,361
Board designated:								
Reserves	461,988	-	-	461,988	-	-	-	-
Specific programs and projects	364,143	-	-	364,143	-	-	-	-
Ohio Bicentennial Commission	-	587,663	-	587,663	-	-	-	-
Endowments	-	-	-	-	-	-	\$ 3,193,568	3,193,568
Quasi-Endowment	-	-	-	-	997,270	705,905	-	1,703,175
Total Net Assets	1,586,141	603,056	-	2,189,197	3,232,656	2,744,880	3,193,568	9,171,104
Total Liabilities and Net Assets	\$ 5,354,289	\$ 693,653	-	\$ 6,047,942	\$ 3,310,451	\$ 2,744,880	\$ 3,193,568	\$ 9,248,899

Combined Total				Intercompany Adjustments		Consolidated Total			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS Total	OHF Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 3,554,205	\$ 1,370,583	\$ 431,877	\$ 5,356,665	-	-	\$ 3,554,205	\$ 1,370,583	\$ 431,877	\$ 5,356,665
179,586	-	-	179,586	-	-	179,586	-	-	179,586
680,092	-	-	680,092	-	-	680,092	-	-	680,092
-	293,689	-	293,689	-	-	-	293,689	-	293,689
97,959	2,270	-	100,229	\$ (77,795)	-	20,164	2,270	-	22,434
511,931	-	-	511,931	-	-	511,931	-	-	511,931
204,829	141,715	365	346,909	-	-	204,829	141,715	365	346,909
3,119,924	1,627,678	2,761,326	7,508,928	-	-	3,119,924	1,627,678	2,761,326	7,508,928
318,812	-	-	318,812	-	-	318,812	-	-	318,812
<u>\$ 8,667,338</u>	<u>\$ 3,435,935</u>	<u>\$ 3,193,568</u>	<u>\$ 15,296,841</u>	<u>\$ (77,795)</u>	<u>-</u>	<u>\$ 8,589,543</u>	<u>\$ 3,435,935</u>	<u>\$ 3,193,568</u>	<u>\$ 15,219,046</u>
\$ 1,291,071	\$ 90,597	-	\$ 1,381,668	-	-	\$ 1,291,071	\$ 90,597	-	\$ 1,381,668
588,021	-	-	588,021	-	\$ (77,795)	510,226	-	-	510,226
20,033	-	-	20,033	-	-	20,033	-	-	20,033
346,452	-	-	346,452	-	-	346,452	-	-	346,452
1,600,366	-	-	1,600,366	-	-	1,600,366	-	-	1,600,366
3,845,943	90,597	-	3,936,540	-	(77,795)	3,768,148	90,597	-	3,858,745
2,995,396	2,054,368	-	5,049,764	-	-	2,995,396	2,054,368	-	5,049,764
461,988	-	-	461,988	-	-	461,988	-	-	461,988
364,143	-	-	364,143	-	-	364,143	-	-	364,143
-	587,663	-	587,663	-	-	-	587,663	-	587,663
-	-	\$ 3,193,568	3,193,568	-	-	-	-	\$ 3,193,568	3,193,568
997,270	705,905	-	1,703,175	-	-	997,270	705,905	-	1,703,175
4,818,797	3,347,936	3,193,568	11,360,301	-	-	4,818,797	3,347,936	3,193,568	11,360,301
<u>\$ 8,664,740</u>	<u>\$ 3,438,533</u>	<u>\$ 3,193,568</u>	<u>\$ 15,296,841</u>	<u>-</u>	<u>\$ (77,795)</u>	<u>\$ 8,586,945</u>	<u>\$ 3,438,533</u>	<u>\$ 3,193,568</u>	<u>\$ 15,219,046</u>

See independent auditors' report.

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

ASSETS	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Permanently	Total
		Restricted	Restricted			Restricted	Restricted	
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
Property and equipment (Net of accumulated depreciation of \$564,000)	386,431	-	-	386,431	-	-	-	-
Total Assets	\$ 6,319,244	\$ 883,215	-	\$ 7,202,459	\$ 2,492,769	\$ 1,799,998	\$ 2,966,717	\$ 7,259,484
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	1,795,883	\$ 1,109,701	-	2,905,584
Board designated:								
Reserves	451,141	-	-	451,141	-	-	-	-
Specific programs and projects	643,669	-	-	643,669	-	-	-	-
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	1,396,628	883,215	-	2,279,843	2,448,135	1,799,998	2,966,717	7,214,850
Total Liabilities and Net Assets	\$ 6,319,244	\$ 883,215	-	\$ 7,202,459	\$ 2,492,769	\$ 1,799,998	\$ 2,966,717	\$ 7,259,484

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
2,097,701	\$ 1,149,239	-	3,246,940	-	-	2,097,701	\$ 1,149,239	-	3,246,940
451,141	-	-	451,141	-	-	451,141	-	-	451,141
643,669	-	-	643,669	-	-	643,669	-	-	643,669
-	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 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:								
State appropriations:								
Operating subsidies	\$ 13,154,887	-	-	\$ 13,154,887	-	-	-	-
Capital projects	1,989,805	-	-	1,989,805	-	-	-	-
Ohio Bicentennial Commission	-	\$ 1,773,349	-	1,773,349	-	-	-	-
Ohio Bicentennial Commission - other support	-	259,465	-	259,465	-	-	-	-
Federal grants	951,733	-	-	951,733	-	-	-	-
Foundation distributions	610,942	-	-	610,942	-	-	-	-
Contributions	4,168	2,500	-	6,668	\$ 448,744	\$ 1,166,178	\$ 215,886	\$ 1,830,808
Contributed materials and services	567,545	-	-	567,545	72,009	-	-	72,009
Other support	587,764	-	-	587,764	34,535	-	9,414	43,949
Total Support	17,866,844	2,035,314	-	19,902,158	555,288	1,166,178	225,300	1,946,766
REVENUE:								
Sales	627,060	-	-	627,060	-	-	-	-
Investment income	49,992	-	-	49,992	65,293	76,601	1,551	143,445
Admissions	739,330	-	-	739,330	-	-	-	-
Memberships	353,671	-	-	353,671	-	-	-	-
Special events	127,744	-	-	127,744	-	-	-	-
Archives library revenue	222,464	-	-	222,464	-	-	-	-
Facilities use revenue	130,451	-	-	130,451	-	-	-	-
Other revenue	305,777	-	-	305,777	-	-	-	-
Total Revenue	2,556,489	-	-	2,556,489	65,293	76,601	1,551	143,445
Net assets released from restrictions	2,312,872	(2,312,872)	-	-	300,498	(300,498)	-	-
Total Support and Revenues	22,736,205	(277,558)	-	22,458,647	921,079	942,281	226,851	2,090,211
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	11,438,697	-	-	11,438,697	-	-	-	-
State archives and library	1,699,346	-	-	1,699,346	-	-	-	-
Historic preservation office	1,558,698	-	-	1,558,698	-	-	-	-
Capital projects	2,166,674	-	-	2,166,674	-	-	-	-
Ohio Bicentennial Commission	2,173,158	-	-	2,173,158	-	-	-	-
Support services:								
Management and general	2,790,356	-	-	2,790,356	43,778	-	-	43,778
Early Retirement Incentive Program	392,130	-	-	392,130	-	-	-	-
Fundraising	292,121	-	-	292,121	72,009	-	-	72,009
Total Expenses	22,511,180	-	-	22,511,180	115,787	-	-	115,787
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investments	225,025	(277,558)	-	(52,533)	805,292	942,281	226,851	1,974,424
Collection items purchased but not capitalized	(38,112)	-	-	(38,112)	-	-	-	-
Net realized gains and losses	-	-	-	-	145,045	-	-	145,045
Change in net unrealized gains and losses	-	-	-	-	447,726	-	-	447,726
Changes in net assets before transfers	186,913	(277,558)	-	(90,645)	1,398,063	942,281	226,851	2,567,195
Transfers to the Ohio Historical Society Foundation	-	-	-	-	-	-	-	-
Transfers to the Ohio Historical Society	-	-	-	-	(610,942)	-	-	(610,942)
Change in net assets	186,913	(277,558)	-	(90,645)	787,121	942,281	226,851	1,956,253
NET ASSETS, BEGINNING OF YEAR	1,396,628	883,215	-	2,279,843	2,448,135	1,799,998	2,966,717	7,214,850
NET ASSETS, END OF YEAR	\$ 1,583,541	\$ 605,657	-	\$ 2,189,198	\$ 3,235,256	\$ 2,742,279	\$ 3,193,568	\$ 9,171,103

Combined Total				Intercompany Adjustments		Consolidated Total			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 13,154,887	-	-	\$ 13,154,887	-	-	\$ 13,154,887	-	-	\$ 13,154,887
1,989,805	-	-	1,989,805	-	-	1,989,805	-	-	1,989,805
-	\$ 1,773,349	-	1,773,349	-	-	-	\$ 1,773,349	-	1,773,349
-	259,465	-	259,465	-	-	-	259,465	-	259,465
951,733	-	-	951,733	-	-	951,733	-	-	951,733
610,942	-	-	610,942	\$ (610,942)	-	-	-	-	-
452,912	1,168,678	\$ 215,886	1,837,476	-	-	452,912	1,168,678	\$ 215,886	1,837,476
639,554	-	-	639,554	-	-	639,554	-	-	639,554
622,299	-	9,414	631,713	-	-	622,299	-	9,414	631,713
18,422,132	3,201,492	225,300	21,848,924	(610,942)	-	17,811,190	3,201,492	225,300	21,237,982
627,060	-	-	627,060	-	-	627,060	-	-	627,060
115,285	76,601	1,551	193,437	-	-	115,285	76,601	1,551	193,437
739,330	-	-	739,330	-	-	739,330	-	-	739,330
353,671	-	-	353,671	-	-	353,671	-	-	353,671
127,744	-	-	127,744	-	-	127,744	-	-	127,744
222,464	-	-	222,464	-	-	222,464	-	-	222,464
130,451	-	-	130,451	-	-	130,451	-	-	130,451
305,777	-	-	305,777	-	-	305,777	-	-	305,777
2,621,782	76,601	1,551	2,699,934	-	-	2,621,782	76,601	1,551	2,699,934
2,613,370	(2,613,370)	-	-	-	-	2,613,370	(2,613,370)	-	-
23,657,284	664,723	226,851	24,548,858	(610,942)	-	23,046,342	664,723	226,851	23,937,916
11,438,697	-	-	11,438,697	-	-	11,438,697	-	-	11,438,697
1,699,346	-	-	1,699,346	-	-	1,699,346	-	-	1,699,346
1,558,698	-	-	1,558,698	-	-	1,558,698	-	-	1,558,698
2,166,674	-	-	2,166,674	-	-	2,166,674	-	-	2,166,674
2,173,158	-	-	2,173,158	-	-	2,173,158	-	-	2,173,158
2,834,134	-	-	2,834,134	-	-	2,834,134	-	-	2,834,134
392,130	-	-	392,130	-	-	392,130	-	-	392,130
364,130	-	-	364,130	-	-	364,130	-	-	364,130
22,626,967	-	-	22,626,967	-	-	22,626,967	-	-	22,626,967
1,030,317	664,723	226,851	1,921,891	(610,942)	-	419,375	664,723	226,851	1,310,949
(38,112)	-	-	(38,112)	-	-	(38,112)	-	-	(38,112)
145,045	-	-	145,045	-	-	145,045	-	-	145,045
447,726	-	-	447,726	-	-	447,726	-	-	447,726
1,584,976	664,723	226,851	2,476,550	(610,942)	-	974,034	664,723	226,851	1,865,608
-	-	-	-	-	-	-	-	-	-
(610,942)	-	-	(610,942)	-	\$ (610,942)	-	-	-	-
974,034	664,723	226,851	1,865,608	(610,942)	(610,942)	974,034	664,723	226,851	1,865,608
3,844,763	2,683,213	2,966,717	9,494,693	-	-	3,844,763	2,683,213	2,966,717	9,494,693
\$ 4,818,797	\$ 3,347,936	\$ 3,193,568	\$ 11,360,301	\$ (610,942)	\$ (610,942)	\$ 4,818,797	\$ 3,347,936	\$ 3,193,568	\$ 11,360,301

See independent auditors' report.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATING STATEMENT 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
SUPPORT:								
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
Total Support	19,523,081	6,459,935	12,852	25,995,868	1,841,021	868,675	647,424	3,357,120
REVENUE:								
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
Total Revenue	2,544,919	9,311	-	2,554,230	98,710	71,908	815	171,433
Net assets released from restrictions	7,400,945	(7,400,945)	-	-	404,909	(404,909)	-	-
Total Support and Revenues	29,468,945	(931,699)	12,852	28,550,098	2,344,640	535,674	648,239	3,528,553
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	12,029,326	-	-	12,029,326	-	-	-	-
State archives and 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	2,810,723	-	-	2,810,723	43,038	-	-	43,038
Early Retirement Incentive Program	-	-	-	-	-	-	-	-
Fundraising	430,407	-	-	430,407	50,750	-	-	50,750
Total Expenses	30,829,135	-	-	30,829,135	93,788	-	-	93,788
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	\$ 1,396,628	\$ 883,215	-	\$ 2,279,843	\$ 2,448,135	\$ 1,799,998	\$ 2,966,717	\$ 7,214,850

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
12,029,326	-	-	12,029,326	-	-	12,029,326	-	-	12,029,326
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
2,853,761	-	-	2,853,761	-	-	2,853,761	-	-	2,853,761
-	-	-	-	-	-	-	-	-	-
481,157	-	-	481,157	-	-	481,157	-	-	481,157
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.

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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
MAY 12, 2005**