THE OHIO STATE UNIVERSITY
WEXNER CENTER FOR THE ARTS

FINANCIAL STATEMENTS

For The Years Ended June 30, 2009 and 2008

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Mary Taylor, CPA
Auditor of State

Wexner Center for the Arts
2040 Blankenship
901 Woody Hayes Drive
Columbus, Ohio 43210

We have reviewed the *Independent Auditors' Report* of the Wexner Center for the Arts, Franklin County, prepared by Parms & Company, LLC, for the audit period July 1, 2008 through June 30, 2009. 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 Wexner Center for the Arts is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 10, 2009

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THE OHIO STATE UNIVERSITY
WEXNER CENTER FOR THE ARTS

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PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Ohio State University
Wexner Center for the Arts

We have audited the accompanying statements of net assets of the Wexner Center for the Arts, which is a part of The Ohio State University, as of June 30, 2009 and 2008, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of Wexner Center for the Arts's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 Note 1, the financial statements of Wexner Center for the Arts are intended to present the financial position and results of operations of only that portion of the financial reporting entity of The Ohio State University that is attributable to the transactions of Wexner Center for the Arts.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wexner Center for the Arts as of June 30, 2009 and 2008, and the changes in financial position and 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 a report dated November 24, 2009, on our consideration of the Wexner Center for the Arts'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.

The Management's Discussion and Analysis presented on pages 2 through 7 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Parms & Company, LLC

November 24, 2009

THE OHIO STATE UNIVERSITY
WEXNER CENTER FOR THE ARTS
Management's Discussion and Analysis
Fiscal Years Ending June 30, 2009 and June 30, 2008

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of the Wexner Center for the Arts for the year ended June 30, 2009 and 2008. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About the Wexner Center

The Wexner Center for the Arts (WCA), which opened in November 1989, is a multi-disciplinary arts center located on the Columbus campus of The Ohio State University (the university). Conceived as a research laboratory for the contemporary arts, it has emphasized commissions for new work and artist residencies since its inception. Its multidisciplinary programs encompass performing arts, exhibitions, and media arts (film/video) and have focused on cutting-edge culture from around the globe. The WCA building is named in honor of Harry L. Wexner, the father of Leslie H. Wexner, chairman and founder of Limited Brands and a major donor to the center.

The WCA receives significant financial support from the Wexner Center Foundation. The Foundation is a private, nonprofit partner of The Ohio State University Board of Trustees established for the overall purpose of advancing the interests of the WCA. Its primary role is to provide trustee guidance and sustained support for WCA programming.

About the Financial Statements

The WCA presents its financial reports in a "business type activity" format, in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. In addition to this MD&A section, the financial report includes a Statement of Net Assets, a Statement of Revenues, Expenses and Other Changes in Net Assets, a Statement of Cash Flows and Notes to the Financial Statements.

Financial Highlights

The WCA's financial position eroded slightly in Fiscal Year 2009. Restricted-nonexpendable net assets related to endowment funds decreased $1,048,724, to $2,830,903, due to the long-term investment pool taking a downturn because of market conditions. Expendable net assets, which include unrestricted and restricted-expendable net assets, decreased $1,153,564, to $599,548. This is the collective result of a decrease in restricted-expendable net assets of $1,074,162 to off-set programming costs and a decrease in unrestricted net assets of $79,402.

Gift revenues totaled $3,299,995 and $4,098,517 for fiscal years 2009 and 2008, respectively. These gift figures include $2,375,859 and $2,692,280, respectively, in direct support from the Wexner Center Foundation.

The following sections provide additional details on the WCA's 2009 financial results and a look ahead at significant economic conditions that are expected to affect the Center in the future.

Statements of Net Assets

Statements of Net Assets	2009	2008	2007
Cash and cash equivalents	$ -	$ 710,532	$ 727,756
Accounts receivable	100,233	103,130	137,307
Contributions receivable	2,284,449	1,007,972	1,001,708
Inventories and prepaid expenses	699,368	474,339	225,426
Total current assets	3,084,050	2,295,973	2,092,197
Endowments in OSU long-term investment pool	2,830,903	3,879,627	4,366,932
Property, plant & equipment, net	43,063,053	45,228,589	46,880,168
Total non-current assets	45,893,956	49,108,216	51,247,100
TOTAL ASSETS	$ 48,978,006	$ 51,404,189	$ 53,339,297
LIABILITIES AND NET ASSETS			
Accounts payable	$ 2,104,214	$ 205,783	$ 289,153
Accrued salary and wages	24,542	17,348	13,892
Deposits and deferred revenues	19,892	10,464	22,137
Accrued vacation and sick leave - current	25,797	24,950	20,504
Total current liabilities	2,174,445	258,545	345,686
Accrued vacation and sick leave - long term	310,057	284,316	254,154
TOTAL LIABILITIES	2,484,502	542,861	599,840
Invested in capital assets	$ 43,063,053	$ 45,228,589	$ 46,880,168
Restricted - nonexpendable	2,830,903	3,879,627	4,366,932
Restricted - expendable	495,294	1,569,456	1,737,323
Unrestricted	104,254	183,656	(244,966)
TOTAL NET ASSETS	$ 46,493,504	$ 50,861,328	$ 52,739,457

Total **current assets** increased $788,077, to $3,084,050 at June 30, 2009, primarily due to expected distribution of contributions held by the university's Development Office. The Statement of Cash Flows, which is discussed in more detail below, provides additional details on sources and uses of WCA cash.

Endowment investments in the university's long-term investment pool decreased $1,048,724, to $2,830,903 at June 30, 2009, primarily due to depreciation in the market value of investments. The long-term investment pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

The WCA's **property, plant and equipment**, net of accumulated depreciation, decreased $2,165,536, to $43,063,053, primarily due to building depreciation. University facilities assigned to the WCA include the WCA building and the adjacent Mershon Auditorium. In October 2005, the WCA galleries reopened after an extensive renovation.

Current liabilities of the WCA increased $1,915,900, to $2,174,445 at June 30, 2009. Increases in account payable were due to spending in anticipation of distribution of funds held by the university's Development Office. Increases in current liabilities were also partially due to increases in accrued salary and wages, deferred revenues and vacation and sick leave benefits.

Statement of Revenues, Expenses and Changes in Net Assets

Statement of Revenues, Expenses and Changes in Net Assets	2009	2008	2007
OPERATING REVENUES:			
Sales and services	$ 1,845,753	$ 1,560,182	$ 975,180
Grants and contracts	105,742	90,595	183,417
Total operating revenues	1,951,495	1,650,777	1,158,597
OPERATING EXPENSES:			
Salaries	4,419,680	4,000,889	3,940,228
Employee Benefits	1,528,436	1,429,845	1,383,890
Fees paid to performers and artists	416,175	470,538	426,960
Supplies and services	4,266,733	3,757,811	3,523,570
University overhead charges	44,065	31,737	27,795
Depreciation	2,279,917	2,248,547	2,212,612
Total operating expenses	12,955,006	11,939,367	11,515,055
OPERATING LOSS	(11,003,511)	(10,288,590)	(10,356,458)
NON-OPERATING REVENUES AND EXPENSES:			
University appropriations	4,147,457	4,089,853	3,981,939
Gifts	3,299,995	4,098,517	4,252,176
Endowment income distributions	178,655	176,999	177,256
Investment income	(1,124,495)	(556,378)	526,528
Transfers from University for capital projects	134,075	601,470	140,403
INCREASE (DECREASE) IN NET ASSETS	(4,367,824)	(1,878,129)	(1,278,156)
NET ASSETS -- Beginning of Year	50,861,328	52,739,457	54,017,613
NET ASSETS -- End of Year	$ 46,493,504	$ 50,861,328	$ 52,739,457

Total net assets (equity) of the WCA decreased $4,367,824, to $46,493,504 at June 30, 2009. It should be noted that the required subtotal for net operating income or loss will generally reflect a "loss", primarily due to the way operating and non-operating items are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating expenses include virtually all WCA expenses. Operating revenues, however, *exclude* certain significant revenue streams that the Center relies upon to fund current operations, including direct support from the University, current-use gifts and investment income.

Statement of Cash Flows

Statement of Cash Flows	2009	2008	2007
Cash Provided by (Used in):			
Operating activities	$ (7,004,086)	$ (8,311,757)	(7,980,945)
Noncapital financing activities	6,170,975	8,182,105	7,717,314
Capital and related financing activities	19,693	4,503	(9,083)
Investing activities	102,886	107,925	198,980
Net Increase (Decrease) in Cash	(710,532)	(17,224)	(73,734)
Cash and Cash Equivalents - Beginning of Year	710,532	727,756	801,490
Cash and Cash Equivalents - End of Year	$ -	$ 710,532	$ 727,756

Total WCA **cash and cash equivalents** decreased $710,532, to $0 at June 30, 2009. Operating activities include cash flows associated with sales and services, grants and contracts, and operating expenses. Non-capital financing activities include direct operating support from the University and gifts. Capital and related financing activities include payments for purchase or construction of capital assets and transfers for capital projects from the University. Net cash provided by investing activities consists primarily of endowment income distributions.

The zero balance in cash and cash equivalents at June 30, 2009 is the result of WCA spending in advance of a known distribution from the university's Development Office in the 180 day hold period as of June 20, 2009. Funds spent in excess of cash balances were reflected as a current liability due the university until the 180 day hold is cleared and the money is distributed to WCA. Once this distribution is complete, the cash and cash equivalents will return to a positive balance.

Economic Factors That Will Affect the Future

Each year, the Wexner Center works diligently to secure private contributions from local, national and international corporations and foundations, and individuals residing in central Ohio and well beyond. These private funds are augmented by generous public support from The Ohio State University and other public agencies to sustain the Wexner Center and its wide range of programs. The center has been very fortunate over the years to have diverse income streams that combine to create a healthy financial base. The current economic climate certainly creates additional challenges for the center as it does for all non-profits, especially in the arts and cultural field.

In past years, the Wexner Center has been successful in reaching many of its annual development goals. A strong programming mix in FY09 and FY10, accompanied by effective marketing and outreach campaigns, has helped significantly expand public awareness of the center, as well as its community profile. The Wexner Center has been able to capitalize on this momentum by growing its membership ranks and visitation rates – both onsite and online – to their highest levels ever. The development and execution of new strategies to ambitiously increase the earned income portion of the center's budget have been sustained over two consecutive fiscal years.

Current FY10 fundraising efforts are in line with past fiscal years. Wexner Center leaders are keenly aware of the current local, state, and national economic climates and their potential impact of decreased public and/or private funding. The center has reduced its discretionary, non-mission critical expenditures and increased its cash reserves. While many factors remain outside of the center's control, regular budget review meetings at both the board and staff levels will continue throughout the year, providing a system of safeguards and regular assessments of the center's fiscal position. Even so, based on what is now known about FY10, management is confident that the Wexner Center will maintain its stable financial position in the year ahead.

The Ohio State University
Wexner Center for the Arts
Statements of Net Assets
As of June 30, 2009 and 2008

	2009	2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ -	$ 710,532
Accounts receivable	100,233	103,130
Contributions receivable	2,284,449	1,007,972
Inventories and prepaid expenses	699,368	474,339
Total current assets	3,084,050	2,295,973
NON-CURRENT ASSETS:		
Endowments in University long-term investment pool	2,830,903	3,879,627
Property, plant & equipment, net	43,063,053	45,228,589
Total non-current assets	45,893,956	49,108,216
TOTAL ASSETS	**$ 48,978,006**	**$ 51,404,189**
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 117,419	$ 205,783
Due University	1,986,795	-
Accrued salary and wages	24,542	17,348
Deposits and deferred revenues	19,892	10,464
Accrued vacation and sick leave - current	25,797	24,950
Total current liabilities	2,174,445	258,545
Accrued vacation and sick leave - long term	310,057	284,316
TOTAL LIABILITIES	**2,484,502**	**542,861**
NET ASSETS:		
Invested in capital assets	43,063,053	45,228,589
Restricted - nonexpendable	2,830,903	3,879,627
Restricted - expendable	495,294	1,569,456
Unrestricted	104,254	183,656
TOTAL NET ASSETS	**$ 46,493,504**	**$ 50,861,328**

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

The Ohio State University
Wexner Center for the Arts
Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended June 30, 2009 and 2008

	2009	2008
OPERATING REVENUES:		
Sales and services	$ 1,845,753	$ 1,560,182
Grants and contracts	105,742	90,595
Total operating revenues	1,951,495	1,650,777
OPERATING EXPENSES:		
Salaries	4,419,680	4,000,889
Employee Benefits	1,528,436	1,429,845
Fees paid to performers and artists	416,175	470,538
Supplies and services	4,266,733	3,757,811
University overhead charges	44,065	31,737
Depreciation	2,279,917	2,248,547
Total operating expenses	12,955,006	11,939,367
OPERATING LOSS	(11,003,511)	(10,288,590)
NON-OPERATING REVENUES:		
University appropriations	4,147,457	4,089,853
Gifts	3,299,995	4,098,516
Endowment income distributions	178,655	176,999
Investment income	(1,124,495)	(556,378)
Transfers from University for capital projects	134,075	601,470
Net non-operating revenues	6,635,687	8,410,460
DECREASE IN NET ASSETS	**(4,367,824)**	**(1,878,130)**
NET ASSETS -- Beginning of Year	**50,861,328**	**52,739,457**
NET ASSETS -- End of Year	**$ 46,493,504**	**$ 50,861,328**

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

The Ohio State University
Wexner Center for the Arts
Statements of Cash Flows
For the Years Ended June 30, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities:		
Grant and contract receipts	$ 105,742	$ 90,595
Receipts for sales and services	1,858,078	1,582,685
Payments to or on behalf of employees	(4,412,486)	(3,997,432)
University employee benefit payments	(1,501,848)	(1,395,236)
Payments to artists and performers	(416,175)	(470,538)
Payments to vendors for supplies and services	(2,637,397)	(4,121,831)
Net cash used in operating activities	(7,004,086)	(8,311,757)
Cash Flows from Noncapital Financing Activities:		
University appropriations	4,147,457	4,089,853
Gifts	2,023,518	4,092,252
Net cash provided by noncapital financing activities	6,170,975	8,182,105
Cash Flows from Capital Financing Activities:		
Payments for purchase or construction of capital assets	(114,381)	(596,968)
Transfers from University for capital projects	134,075	601,471
Net cash provided by capital financing activities	19,694	4,503
Cash Flows from Investing Activities:		
Income and dividends received	102,885	107,925
Net cash provided by investing activities	102,885	107,925
Net Increase (Decrease) in Cash	**(710,532)**	**(17,224)**
Cash - Beginning of Year	**710,532**	**727,756**
Cash - End of Year	**$ -**	**$ 710,532**
Reconciliation of Net Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Operating loss	$ (11,003,511)	$ (10,288,590)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities:		
Depreciation expense	2,279,917	2,248,547
Changes in assets and liabilities:		
Accounts receivable, net	2,897	34,176
Inventories and prepaid expenses	(225,029)	(248,912)
Accounts payable	1,898,431	(83,370)
Accrued salary and wages	7,193	3,457
Deposits and deferred credits	9,427	(11,673)
Compensated absences	26,588	34,608
Net cash provided (used) by operating activities	$ (7,004,086)	$ (8,311,757)

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

THE OHIO STATE UNIVERSITY
WEXNER CENTER FOR THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2009 and 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Entity

Wexner Center for the Arts (WCA) is a part of The Ohio State University (the University) financial reporting entity. The financial statements of the University contain more extensive disclosure of the significant accounting policies of the University as a whole.

Basis of Presentation

WCA complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. WCA reports as a special purpose government engaged solely in "business type activities" under GASB Statement No. 34. GASB Statement Nos. 20 and 34 provide WCA the option of electing to apply FASB pronouncements issued after November 30, 1989. WCA has elected not to apply those pronouncements. GASB Statements No. 34 requires that resources be classified for accounting and reporting purposes into the following net assets categories:

- <u>Invested in capital assets, net of related debt</u>: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- <u>Restricted</u>:

  - *Nonexpendable* - Net assets subject to externally imposed stipulations that they be maintained permanently by WCA.

  - *Expendable* - Net assets whose use by WCA is subject to externally imposed stipulations that can be fulfilled by actions of WCA pursuant to those stipulations or that expire by the passage of time.

- <u>Unrestricted</u>: Net assets whose use by the College is not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

It is WCA's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

THE OHIO STATE UNIVERSITY
WEXNER CENTER FOR THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2009 and 2008

Basis of Accounting

The financial statements of WCA have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they are considered to be a legal or contractual obligation to pay.

Cash

Cash of WCA is maintained by the University which commingles the funds with other University-related organizations.

Endowment Investments

All investments consist of amounts invested in The Ohio State University Long Term Investment Pool and are recorded at fair value. The University's Office of Financial Services commingles the funds with other University-related organizations. Earned investment income is allocated to each organization based on its share of the total funds invested at the beginning of each year. Investments are carried at market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The net change in the value of investments during 2009 and 2008 is a loss of $1,124,495 and $556,378, respectively. These amounts take into account all changes in fair value (including purchases and sales) that occurred during each respective year. The calculation of realized gain or loss is independent of the calculation of the net increase in fair value of investments. As of June 30, 2009, there is a cumulative unrealized loss on investments of $964,662. There was a cumulative unrealized gain on investments of $152,907 as of June 30, 2008. Investment income from endowment investments is unrestricted by the donors, and as such becomes a part of unrestricted net assets.

Contributions Receivable

Contributions receivable of $2,284,449 and $1,007,972, as of June 30, 2009 and 2008, respectively, consist of contributions received by the University's Development Office but not transferred to the operating accounts of the WCA. Amounts are deemed fully collectible.

Inventory

Inventories consist principally of text books, educational materials and merchandise sold by the WCA bookstore and are stated at cost on the first-in-first-out (FIFO) basis.

Capital Assets

Capital assets with a unit cost of over $3,000 are recorded at cost at date of acquisition, or, if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. WCA does not capitalize works of art or historical treasurers that are held for exhibition, education, research, and public service. These collections are not encumbered or sold for financial gain. Consequently, such collections are not recognized in the financial statements.

Revenue Recognition

All revenues from programmatic sources are considered to be operating revenues. Included in operating revenues are sales and service revenues generated from artist performances shows, exhibitions, and merchandise sales. Included in non-operating revenues are University support, investment income, and gifts. Gift revenues are recorded upon receipt from donors. Grant funds are recorded as revenues when the grant's contractual requirements have been met. The principal expendable restricted resources of the WCA are current-use gifts and endowment income distributions.

Support from the Wexner Center Foundation

The Wexner Center Foundation is a private, nonprofit partner of The Ohio State University Board of Trustees established for the overall purpose of advancing the interests of the WCA. Its primary role is to provide trustee guidance and sustained support for WCA programming. The Foundation provided $2,375,859 and $2,692,280 of direct support to the WCA for the years ended June 30, 2009 and 2008, respectively. This support is included in gift revenues on the Statement of Revenues, Expenses and Changes in Net Assets.

Donated Facilities and Administrative Support from The Ohio State University

The University charges the WCA for allocated overhead costs associated with sales of goods and services. In addition, the University provides certain donated facilities and administrative services, which are not reflected in the WCA's revenues and expenses.

Management Estimates

The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires the use of management estimates, primarily related to compensated absences and the collectibility of receivables. Actual results could differ from those estimates.

Net Assets

GASB Statement No. 34 reports equity as "net assets" rather than "fund balance." Net assets are classified according to external donor restrictions or availability of assets for satisfaction of WCA's obligations. Nonexpendable restricted net assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes.

Previous Year's Financial Information

Certain reclassifications have been made to the 2008 comparative information to conform to the 2009 presentation.

NOTE 2: CASH AND INVESTMENTS

There was zero in cash balance as of June 30, 2009 due to net accounts payable due the University. Investments consist of pooled funds which are held and managed by the University's Office of Financial Services. Endowment investments represent WCA's share of pooled investment funds.

The following summarizes pooled shares and related values as of June 30, 2009:

Name of Fund	Number of Shares	Cost	Market Value
Haas, Carl Fund	34.49	$ 155,130	$ 162,441
Long, Ethel Manley	9.67	35,000	45,525
McKitrick Family Fund	0.40	1,511	1,898
Tappen Endowed Fund	2.62	15,000	12,344
Wexner Center Programs	5.33	25,000	25,126
Arnold SA Maint WCA	4.62	31,000	21,746
Fnd-Duke Performing Arts	384.97	2,539,431	1,813,101
Glimcher D&H Program Fd	17.64	100,000	83,094
Lambert Family Lecture	75.81	500,819	357,035
Director's Dialogue	7.11	50,000	34,723
Fung Family Wexner Ctr	43.91	250,000	206,826
Fnd-Tuckerman Child	2.73	25,000	54,176
Wexner Ctr Education End Fd	11.50	67,675	12,866
Total		$ 3,795,565	$ 2,830,903

The following summarizes pooled shares and related values as of June 30, 2008:

Name of Fund	Number of Shares	Cost	Market Value
Haas, Carl Fund	34.49	$ 155,130	$ 227,623
Long, Ethel Manley	9.67	35,000	63,793
Tappen Endowed Fund	2.62	15,000	17,298
Wexner Center Programs	5.33	25,000	35,209
Arnold SA Maint WCA	4.30	29,500	28,351
Fnd-Duke Performing Arts	384.97	2,539,431	2,540,644
Glimcher D&H Program Fd	17.64	100,000	116,438
Lambert Family Lecture	64.45	439,985	425,320
Director's Dialogue	7.11	50,000	48,263
Fung Family Wexner Ctr	43.91	250,000	289,819
Fnd-Tuckerman Child	2.73	25,000	18,029
Wexner Ctr Education End Fd	10.43	62,675	68,842
Total		$ 3,726,720	$ 3,879,627

Total endowment investments by investment type at June 30, 2009 and 2008:

	2009	2008
Common stock	$ 405,143	$ 674,711
Equity mutual funds	431,796	1,435,234
U. S. government obligations	29,744	40,760
U. S. government agency obligations	83,784	70,123
Corporate bonds and notes	166,780	47,838
Bond mutual funds	237,865	206,259
International bonds	869	-
Real estate	-	183,987
Partnerships and hedge funds	1,220,307	1,128,352
Cash in trust	254,614	92,363
Total	$2,830,903	$ 3,879,627

Statement No. 3 as amended by Statement No. 40 of the Government Accounting Standards Board requires the disclosure of essential risk information about deposits and investments. The disclosure requirements cover four main areas: credit risk, interest rate and investment maturity, interest rate sensitivity and foreign exchange exposure.

Interest-rate risk – Interest-rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

The maturities of WCA's interest-bearing investments at June 30, 2009 are as follows:

		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U. S. government obligations	$ 29,744	-	$ 8,973	$ 15,386	$ 5,385
U. S. agency obligations	83,784	$ 5,693	912	25,901	51,278
Corporate bonds	166,780	2,467	35,182	114,304	14,827
Bond mutual funds	237,865	(7,599)	105,328	115,835	24,301
International bonds	869	-	-	869	-
Total	$ 519,042	$ 561	$ 150,395	$ 272,295	$ 95,791

The maturities of WCA's interest-bearing investments at June 30, 2008 are as follows:

		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U. S. government obligations	$ 40,760	-	$ 11,832	$ 23,422	$ 5,506
U. S. agency obligations	70,123	$ 1,341	4,624	15,211	48,947
Corporate bonds	47,838	2,126	15,306	17,940	12,466
Bond mutual funds	206,259	765	86,347	88,343	30,804
International bonds	-	-	-	-	-
Total	$ 364,980	$ 4,232	$ 118,109	$ 144,916	$ 97,723

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information – as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

The credit ratings of the WCA's interest-bearing investments at June 30, 2009 are as follows:

Credit Rating (S&P)	Total	U. S. Government and Agency Obligations	Corporate Bonds	Bond Mutual Funds	International Bonds
AAA	$ 295,702	$ 113,528	$ 5,752	$176,422	-
AA	50,097	-	21,875	28,222	-
A	116,961	-	86,830	30,131	-
BBB	49,554	-	47,432	1,253	$ 869
BB	6,678	-	4,841	1,837	-
B	-	-	-	-	-
CCC	-	-	-	-	-
CC	-	-	-	-	-
C	-	-	-	-	-
Not Rated	50	-	50	-	-
Total	$ 519,042	$ 113,528	$ 166,780	$ 237,865	$ 869

The credit ratings of the WCA's interest-bearing investments at June 30, 2008 are as follows:

Credit Rating (S&P)	Total	U. S. Government and Agency Obligations	Corporate Bonds	Bond Mutual Funds	International Bonds
AAA	$ 262,025	$ 110,111	$ 5,811	$ 146,103	-
AA	38,409	-	8,161	30,248	-
A	36,886	-	17,035	19,851	-
BBB	17,528	-	7,515	10,013	-
BB	1,352	-	1,307	45	-
B	4,543	-	4,543	-	-
CCC	1,063	-	1,063	-	-
CC	151	-	151	-	-
C	-	-	-	-	-
Not Rated	3,023	772	2,251	-	-
Total	$ 364,980	$ 110,883	$ 47,837	$ 206,260	$ -

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Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

At June 30, 2009, the WCA's exposure to foreign currency risk is as follows:

Currency	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds	International Bonds
Australian dollar	$ 5,043	$ 9,755	$ 242	-	-
Brazilian real	3,922	4,073	1,930	-	-
Canadian dollar	12,903	13,341	958	-	-
Chilean peso	-	447	-	-	-
Chinese yuan	-	5,334	-	-	-
Danish krone	1,324	1,155	342	-	-
Egyptian pound	-	158	-	-	-
Euro	68,003	42,739	29,821	-	-
Hong Kong dollar	12,616	3,208	-	-	-
Hungarian forint	-	171	-	-	-
Indian rupee	474	2,036	-	-	-
Indonesian rupiah	292	447	-	-	-
Israeli shekel	185	828	-	-	-
Japanese yen	45,616	32,141	18,739	-	-
Jordanian dinar	-	-	-	-	-
Malaysian ringgit	572	828	-	-	-
Mexican peso	676	1,235	-	-	$ 869
Moroccan dirham	-	118	-	-	-
New Taiwan dollar	5,155	3,219	-	-	-
New Zealand dollar	780	181	-	-	-
Norwegian kroner	3,637	988	104	-	-
Peruvian nuevo sol	-	158	-	-	-
Phillippine peso	-	131	-	-	-
Polish zloty	310	342	332	-	-
Pound sterling	37,837	28,006	3,226	-	-
Russian ruble	-	1,734	-	-	-
Singapore dollar	2,673	1,877	-	-	-
South African rand	4,320	2,023	-	-	-
South Korean won	10,330	3,442	-	-	-
Swedish krona	4,619	3,292	270	-	-
Swiss franc	8,002	10,049	288	-	-
Thailand bhat	2,671	407	-	-	-
Turkish lira	-	381	-	-	-
Other currencies	-	262	-	-	-
Total	$ 231,960	$ 174,506	$ 56,252	$ -	$ 869

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At June 30, 2008, the WCA's exposure to foreign currency risk is as follows:

Currency	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds	International Bonds
Argentine peso	-	$ 774	-	-	-
Australian dollar	$ 8,121	35,932	$ 248	-	-
Brazilian real	12,354	19,012	-	-	-
Canadian dollar	16,930	54,109	1,252	-	-
Chilean peso	-	1,382	-	-	-
Chinese yuan	-	15,254	-	-	-
Danish krone	2,972	5,755	881	-	-
Egyptian pound	-	940	-	-	-
Euro	117,321	274,071	28,959	-	-
Hong Kong dollar	19,045	11,814	-	-	-
Hungarian forint	862	940	-	-	-
Indian rupee	-	6,190	-	-	-
Indonesian rupiah	1,831	1,769	-	-	-
Israeli shekel	335	2,763	-	-	-
Japanese yen	72,304	113,784	20,074	-	-
Jordanian dinar	-	111	-	-	-
Malaysian ringgit	2,240	2,487	-	-	-
Mexican peso	5,417	5,416	-	-	-
Moroccan dirham	-	387	-	-	-
New Taiwan dollar	9,962	11,717	-	-	-
New Zealand dollar	544	819	-	-	-
Norwegian kroner	12,473	6,091	140	-	-
Peruvian nuevo sol	-	829	-	-	-
Phillippine peso	-	332	-	-	-
Polish zloty	704	1,769	-	-	-
Pound sterling	49,270	27,894	4,069	-	-
Russian ruble	-	12,325	-	-	-
Singapore dollar	3,210	6,173	-	-	-
South African rand	13,139	7,130	-	-	-
South Korean won	21,043	13,707	-	-	-
Swedish krona	7,180	11,444	351	-	-
Swiss franc	10,164	37,388	335	-	-
Thailand bhat	4,382	1,492	-	-	-
Turkish lira	741	1,382	-	-	-
Other currencies	-	1,161	-	-	-
Total	$ 392,544	$ 694,543	$ 56,309	$ -	$ -

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NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Non-depreciable assets:				
Construction in progress	$ 558,000	134,075	(482,869)	$ 209,206
Depreciable assets:				
Buildings	72,578,051	421,166	-	72,999,217
Furniture and Equipment	2,056,692	42,010	(10,734)	2,087,968
Total cost of depreciable assets	74,634,743	463,176	(10,734)	75,087,185
Total cost of capital assets	75,192,743	597,251	(493,603)	75,296,391
Less accumulated depreciation	29,964,154	2,279,917	(10,734)	32,233,338
Net capital assets	$ 45,228,589	(1,682,666)	(482,869)	$ 43,063,053

Capital assets activity for the year ended June 30, 2008 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Non-depreciable assets:				
Construction in progress	$ 1,010,155	554,736	(1,006,891)	$ 558,000
Depreciable assets:				
Buildings	71,597,194	980,856	-	72,578,051
Furniture and Equipment	1,992,725	68,267	(4,300)	2,056,692
Total cost of depreciable assets	73,589,920	1,049,123	(4,300)	74,634,743
Total cost of capital assets	74,600,075	1,603,859	(1,011,191)	75,192,743
Less accumulated depreciation	27,719,907	2,248,547	(4,300)	29,964,154
Net capital assets	$ 46,880,168	(644,688)	(1,006,891)	$ 45,228,589

The following estimated useful lives are used to compute depreciation:

Type of Asset	Estimated Useful Life
Buildings	20 to 40 years
Equipment and furniture	5 to 15 years

NOTE 4: RETIREMENT PLAN

All WCA employees are employees of The University and are covered by either the Ohio Public Employees Retirement System (OPERS), Ohio State Teachers Retirement System (STRS Ohio) or the Alternative Retirement Plan (ARP). Employees may opt out of OPERS or STRS Ohio and participate in the ARP if they meet certain eligibility requirements.

STRS Ohio and OPERS each offer three separate plans: 1) a defined benefit plan, 2) a defined contribution plan and 3) a combined plan. Each of these three options is discussed in greater detail in the following sections.

Defined Benefit Plans

STRS Ohio and OPERS offer statewide cost-sharing multiple-employer defined benefit pension plans. STRS Ohio and OPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by state statute and are calculated using formulas that include years of service and final average salary as factors. Both STRS Ohio and OPERS issue separate, publicly available financial reports that include financial statements and required supplemental information. These reports may be obtained by contacting the two organizations.

STRS Ohio
275 East Broad Street
Columbus, OH 43215-3371
(614) 227-4090
(888) 227-7877
www.strsoh.org

OPERS, Attn: Finance Director
277 East Town Street
Columbus, OH 43215-4642
(614) 222-5601
(800) 222-7377
www.opers.org

Defined Contribution Plans

ARP is a defined contribution pension plan. Full-time administrative and professional staff and faculty may choose enrollment in ARP in lieu of OPERS or STRS Ohio. Classified civil service employees hired on or after August 1, 2005 are also eligible to participate in ARP. ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

OPERS also offers a defined contribution plan, the Member-Directed Plan (MD). The MD plan does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

STRS Ohio also offers a defined contribution plan in addition to its long established defined benefit plan. All employee contributions and employer contributions at a rate of 10.5% are placed in an investment account directed by the employee. Disability benefits are limited to the employee's account balance. Employees electing the defined contribution plan receive no postretirement health care benefits.

Combined Plans

STRS Ohio offers a combined plan with features of both a defined contribution plan and a defined benefit plan. In the combined plan, employee contributions are invested in self directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits.

OPERS also offers a combined plan. This is a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits. OPERS provides retirement, disability, survivor and postretirement health benefits to qualifying members of the combined plan.

Funding Policy

ORC provides STRS Ohio and OPERS statutory authority to set employee and employer contributions. Contributions equal to those required by STRS Ohio and OPERS are required for ARP. For employees enrolling in ARP, ORC requires a portion (which may be revised pursuant to periodic actuarial studies) of the employer contribution be contributed to STRS Ohio and OPERS to enhance the stability of these plans. The required contribution rates (as a percentage of covered payroll) for plan members and the University are as follows:

	STRS Ohio	OPERS	ARP
Faculty:			
Plan member (entire year)	10.00%		10.00%
WCA (entire year)	14.00%		14.00%*
Staff:			
Plan member (entire year)		10.00%	10.00%
WCA (entire year)		14.00%	14.00%**

* Employer contributions include 3.5% paid to STRS Ohio.
** Employer contributions include .77% paid to OPERS.

The remaining amount is credited to employee's ARP account.

WCA's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2009 and for each of the two preceding years are as follows:

Year Ended June 30,	STRS Ohio Annual Required Contribution	OPERS Annual Required Contribution	ARP Annual Required Contribution
2007	$ -	$ 356,277	$ 145,521
2008	$ -	$ 381,403	$ 154,324
2009	$ 7,582	$ 425,932	$ 176,014

NOTE 5: OTHER POSTEMPLOYMENT BENEFITS

OPERS also provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, *Disclosure of Information of Postemployment Benefits other than Pension Benefits by State and Local Government Employers*. A portion of each contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions to OPERS. For OPERS' fiscal year ended December 31, 2008, OPERS allocated 7.00% of the employer contribution rate to fund the health care program for retirees. These rates are the actuarially determined contribution requirement for OPERS. Postemployment health care benefits are not guaranteed by ORC to be covered under OPERS.

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The assumptions and calculations used in determining employer rates and allocations to cover health care costs are based on OPERS' latest actuarial review performed as of December 31, 2007. Key assumptions are as follows:

- The individual entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

- All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

- The investment assumption rate for 2007 was 6.50%.

- An annual increase of 4.00% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

- Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 4% for the next 7 years. In subsequent years (8 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

OPEB are advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076. The amount of employer contributions used to fund post-employment benefits is estimated to be $212,966 (based on multiplying actual contributions by .50). As of December 31, 2007, the actuarial value of the Retirement System's net assets available for OPEB was $12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $29.8 billion and $17.0 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. In 2005, OPERS created a separate investment pool for health care assets. In addition, member and employer contribution rates increased as of January 1, 2006, 2007, 2008 and 2009.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

OPEB are not available to retirees enrolled in the OPERS member-directed plan or the ARP.

STRS Ohio currently provides access to health care coverage to retirees who participated in the deferred benefit or combined plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to ORC, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of monthly premiums. Under ORC, medical costs paid from the funds of STRS Ohio are included in the employer contribution rate. For the fiscal year ended June 30, 2008, STRS Ohio allocated employer contributions equal to 1.0% of covered payroll to a Health Care Stabilization Fund (HCSF) from which payments for health care benefits are paid. The balance in the HCSF was $3.7 billion at June 30, 2008.

STRS Ohio expenditures for postemployment health care benefits during the year ended June 30, 2008 were $288.9 million. There were 126,506 benefit recipients eligible for postemployment benefits at that date.

Postemployment health care benefits are not guaranteed by ORC to be covered under either OPERS or STRS Ohio defined benefit plans.

NOTE 6: ACCRUED COMPENSATION AND COMPENSATED ABSENCES

The WCA employees earn vacation and sick leave on a monthly basis. Classified civil service employees may accrue vacation benefits up to a maximum of three years credit. Administrative and professional staff and faculty may accrue vacation benefits up to a maximum of 240 hours. For all classes of employees, any earned but unused vacation benefit is payable upon termination. Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the University with ten or more years of state service. The amount of sick leave benefit payable at retirement is one fourth of the accrued but unused sick leave up to a maximum of 240 hours.

WCA follows the University's policy for accruing sick leave liability. WCA accrues a sick leave liability for those employees who are currently eligible to receive termination payments along with other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment method" which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*.

Under the termination method, WCA utilizes the University's calculated rate, Sick Leave Termination Cost Per Year Worked, that is based on the University's actual historical experience of sick leave payouts to terminated employees. This ratio is then applied by WCA to the total year-of-service for WCA current employees.

Accrued salaries were $24,542 and $17,348 as of June 30, 2009 and 2008, respectively. Accrued vacation and sick leave liabilities were $335,854 and $309,266 as of June 30, 2009 and 2008, respectively. The following summarizes long term debt related to accrued compensated liabilities as of June 30, 2009:

	Balance June 30, 2008	Addition	Reduction	Balance June 30, 2009	Current Portion	Noncurrent Portion
Accrued compensated absence	$309,266	26,588	-	$335,854	$25,797	$310,057

NOTE 7: UNIVERSITY SUPPORT

The operations of WCA are supported in part by the general revenues of the University. The University provides for the general operating costs of WCA operations. The University's direct support amounted to $4,281,532 and $4,223,928 for the years ended June 30, 2009 and 2008, respectively. Included in accounts payable at June 30, 2009, was $1,986,795 that WCA owed the University.

NOTE 8: OPERATING LEASE OBLIGATION

WCA leases office space under an agreement with a 5 year occupancy term covering the period March 1, 2009 through February 28, 2014. Future minimum rental payments for this lease as of June 30, 2009 are as follows:

Year Ending June 30,	
2010	$ 123,396
2011	123,396
2012	123,396
2013	123,396
2014	$ 82,264
Total minimum lease payments	$ 575,848

Rental expense charged to operations was $123,396 and $107,190 for the years ended June 30, 2009 and 2008, respectively.

WCA leases apartment space for visiting artists under an agreement with a 2 year occupancy term covering the period November 1, 2008 through October 31, 2009. Future minimum rental payments for this lease as of June 30, 2009 are as follows:

Year Ending June 30,	
2010	$ 4,680
Total minimum lease payments	$ 4,680

Rental expense charged to operations was $4,680 and $4,560 for the years ended June 30, 2009 and 2008, respectively.

WCA, as a lessor, leases space used as a café to a tenant under a tentative agreement with a 5 year occupancy term covering the period September 25, 2006 through December 31, 2012. Future minimum rental payments for this lease as of June 30, 2009 are as follows:

Year Ending June 30,	
2010	$ 19,500
2011	19,500
2012	19,500
2013	9,750
Total minimum lease payments	$ 68,250

Rental income received to operations was $12,431 and $9,870 for the years ended June 30, 2009 and 2008, respectively.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Ohio State University
Wexner Center for the Arts

We have audited the financial statements of Wexner Center for the Arts (WCA), which is a part of The Ohio State University, as of and for the year ended June 30, 2009 and 2008, and have issued our report thereon dated November 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the WCA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the WCA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the WCA's internal control over financial reporting.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wexner Center for the Arts' 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 use of the board of trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company, LLC

November 24, 2009

Mary Taylor, CPA
Auditor of State

WEXNER CENTER FOR THE ARTS

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 22, 2009

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