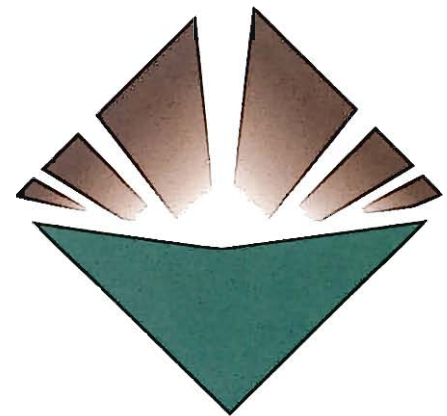




**Ohio Historical Society  
and Affiliate**  
*Audited Consolidated Financial Statements*

As of and for the Years Ended  
June 30, 2011 and 2010



**Rea & Associates, Inc.**

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*





# Dave Yost • Auditor of State

Board of Trustees  
Ohio Historical Society and Affiliate  
1982 Velma Avenue  
Columbus, Ohio 43211

We have reviewed the *Independent Auditors' Report* of the Ohio Historical Society and Affiliate, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2010 through June 30, 2011. 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 black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

December 1, 2011

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## CONTENTS

|   | <u>PAGE</u> |
|---|-------------|
| Independent Auditors' Report .....  | 1           |
| Consolidated Statements of Financial Position.....  | 2           |
| Consolidated Statements of Activities and Changes in Net Assets .....   | 3-4         |
| Consolidated Statements of Cash Flows.....  | 5           |
| Notes to the Consolidated Financial Statements.....   | 6-15        |
| Independent Auditors' Report on Internal Control over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> ..... | 16          |
| Independent Auditors' Report on Compliance with Requirements that Could have<br>a Direct and Material Effect on Each Major Program and Internal Control over<br>Compliance in Accordance with OMB Circular A-133.....                 | 17-18       |
| Schedule of Expenditures of Federal Awards.....   | 19          |
| Notes to the Schedule of Expenditures of Federal Awards .....   | 20          |
| Schedule of Findings and Questioned Costs.....  | 21          |
| <b><u>Supplementary Information:</u></b>  |             |
| Consolidating Statements of Financial Position .....  | 22-25       |
| Consolidating Statements of Activities and Changes in Net Assets.....   | 26-29       |

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

To the Board of Trustees  
Ohio Historical Society and Affiliate  
Columbus, Ohio

October 17, 2011

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated statements of financial position of the Ohio Historical Society and Affiliate (the "Organization") as of June 30, 2011 and 2010 and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 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, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2011 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 conducted for the purpose of forming an opinion on the basic consolidated financial statements 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 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, 2011 and 2010 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.

*Rea & Associates, Inc.*

Rea & Associates, Inc.

OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2011 AND 2010

|   | June 30, 2011        |                           |                           |                      | June 30, 2010       |                           |                           |                      |
|---|----------------------|---------------------------|---------------------------|----------------------|---------------------|---------------------------|---------------------------|----------------------|
|   | Unrestricted         | Temporarily<br>Restricted | Permanently<br>Restricted | Total                | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total                |
| <b>ASSETS</b>   |                      |                           |                           |                      |                     |                           |                           |                      |
| <b>CURRENT ASSETS:</b>                                |                      |                           |                           |                      |                     |                           |                           |                      |
| Cash and cash equivalents                             | \$ 561,546           | \$ 159,052                | \$ 402,540                | \$ 1,123,138         | \$ 1,200,698        | \$ 173,549                | \$ 10,550                 | \$ 1,384,797         |
| Receivables:  |                      |                           |                           |                      |                     |                           |                           |                      |
| Grants  | 463,786              | -                         | -                         | 463,786              | 554,458             | -                         | -                         | 554,458              |
| Contracts   | 1,078,612            | -                         | -                         | 1,078,612            | 1,065,460           | -                         | -                         | 1,065,460            |
| Contributions, net                                    | -                    | 28,174                    | -                         | 28,174               | -                   | 35,052                    | -                         | 35,052               |
| Other, net  | 47,366               | -                         | -                         | 47,366               | 37,641              | 19                        | -                         | 37,660               |
| Inventories, net                                      | 225,176              | -                         | -                         | 225,176              | 238,400             | -                         | -                         | 238,400              |
| Prepaid expenses and other current assets             | 357,226              | 34,274                    | -                         | 391,500              | 105,085             | 34,274                    | -                         | 139,359              |
| Total current assets                                  | 2,733,712            | 221,500                   | 402,540                   | 3,357,752            | 3,201,742           | 242,894                   | 10,550                    | 3,455,186            |
| PROPERTY AND EQUIPMENT, net                           | 443,000              | -                         | -                         | 443,000              | 557,462             | -                         | -                         | 557,462              |
| LONG-TERM INVESTMENTS                                 | 7,446,557            | 3,195,560                 | 3,476,641                 | 14,118,758           | 5,570,183           | 3,257,484                 | 3,712,382                 | 12,540,049           |
| Total assets  | <u>\$ 10,623,269</u> | <u>\$ 3,417,060</u>       | <u>\$ 3,879,181</u>       | <u>\$ 17,919,510</u> | <u>\$ 9,329,387</u> | <u>\$ 3,500,378</u>       | <u>\$ 3,722,932</u>       | <u>\$ 16,552,697</u> |
| <b>LIABILITIES AND NET ASSETS</b>                     |                      |                           |                           |                      |                     |                           |                           |                      |
| <b>CURRENT LIABILITIES:</b>                           |                      |                           |                           |                      |                     |                           |                           |                      |
| Accounts payable                                      | \$ 1,025,256         | \$ -                      | \$ -                      | \$ 1,025,256         | \$ 745,350          | \$ -                      | \$ -                      | \$ 745,350           |
| Accrued salaries, wages and other accrued liabilities | 863,117              | -                         | -                         | 863,117              | 1,007,476           | -                         | -                         | 1,007,476            |
| Accrued leave liability                               | 633,408              | -                         | -                         | 633,408              | 780,340             | -                         | -                         | 780,340              |
| Deferred state support                                | 44,186               | -                         | -                         | 44,186               | 214,134             | -                         | -                         | 214,134              |
| Deferred subscription and other revenue               | 752,126              | -                         | -                         | 752,126              | 684,665             | -                         | -                         | 684,665              |
| Total current liabilities                             | 3,318,093            | -                         | -                         | 3,318,093            | 3,431,965           | -                         | -                         | 3,431,965            |
| NET ASSETS:   |                      |                           |                           |                      |                     |                           |                           |                      |
| Operations  | 3,574,907            | 2,107,589                 | -                         | 5,682,496            | 2,784,894           | 2,768,156                 | -                         | 5,553,050            |
| Board designated:                                     |                      |                           |                           |                      |                     |                           |                           |                      |
| Reserves  | 497,416              | -                         | -                         | 497,416              | 493,375             | -                         | -                         | 493,375              |
| Specific programs and projects                        | 1,133,748            | -                         | -                         | 1,133,748            | 1,069,829           | -                         | -                         | 1,069,829            |
| Ohio Bicentennial Commission                          | -                    | 159,052                   | -                         | 159,052              | -                   | 165,802                   | -                         | 165,802              |
| Endowment fund balance                                | 46,934               | 1,150,419                 | 3,879,181                 | 5,076,534            | (5,278)             | 566,420                   | 3,722,932                 | 4,284,074            |
| Quasi-Endowment                                       | 2,052,171            | -                         | -                         | 2,052,171            | 1,554,602           | -                         | -                         | 1,554,602            |
| Total net assets                                      | 7,305,176            | 3,417,060                 | 3,879,181                 | 14,601,417           | 5,897,422           | 3,500,378                 | 3,722,932                 | 13,120,732           |
| Total liabilities and net assets                      | <u>\$ 10,623,269</u> | <u>\$ 3,417,060</u>       | <u>\$ 3,879,181</u>       | <u>\$ 17,919,510</u> | <u>\$ 9,329,387</u> | <u>\$ 3,500,378</u>       | <u>\$ 3,722,932</u>       | <u>\$ 16,552,697</u> |

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



## OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

|   | Unrestricted | Temporarily<br>Restricted | Permanently<br>Restricted | Total         |
|---|--------------|---------------------------|---------------------------|---------------|
| <b>SUPPORT:</b>   |              |                           |                           |               |
| State appropriations:                                     |              |                           |                           |               |
| Operating subsidies                                       | \$ 7,553,377 | \$ -                      | \$ -                      | \$ 7,553,377  |
| Capital projects  | 4,017,194    | -                         | -                         | 4,017,194     |
| Government contracts and grants                           | 3,179,589    | -                         | -                         | 3,179,589     |
| Private contracts and grants                              | 19,989       | -                         | -                         | 19,989        |
| Contributions   | 329,396      | 566,030                   | 152,825                   | 1,048,251     |
| Contributed materials and services                        | 846,290      | -                         | -                         | 846,290       |
| Other support   | 60,642       | -                         | -                         | 60,642        |
| Total support   | 16,006,477   | 566,030                   | 152,825                   | 16,725,332    |
| <b>REVENUE:</b>   |              |                           |                           |               |
| Admissions and parking                                    | 202,164      | -                         | -                         | 202,164       |
| Memberships and subscriptions                             | 334,448      | -                         | -                         | 334,448       |
| Investment income   | 55,837       | 265,128                   | -                         | 320,965       |
| Sales   | 127,081      | -                         | -                         | 127,081       |
| Special events  | 122,355      | -                         | -                         | 122,355       |
| Program services income                                   | 481,936      | -                         | -                         | 481,936       |
| Other revenue   | 181,408      | -                         | -                         | 181,408       |
| Total revenue   | 1,505,229    | 265,128                   | -                         | 1,770,357     |
| Net assets released from restriction                      | 1,029,937    | (1,029,937)               | -                         | -             |
| Total support and revenue                                 | 18,541,643   | (198,779)                 | 152,825                   | 18,495,689    |
| <b>EXPENSES:</b>  |              |                           |                           |               |
| Program expenses:   |              |                           |                           |               |
| Site operations, educational and interpretive programs    | 8,670,617    | -                         | -                         | 8,670,617     |
| State archives and library                                | 921,739      | -                         | -                         | 921,739       |
| Historic preservation office                              | 1,763,046    | -                         | -                         | 1,763,046     |
| Capital projects  | 4,017,194    | -                         | -                         | 4,017,194     |
| Support services:   |              |                           |                           |               |
| Management and general                                    | 3,091,616    | -                         | -                         | 3,091,616     |
| Business ventures   | 139,705      | -                         | -                         | 139,705       |
| Fundraising   | 420,444      | -                         | -                         | 420,444       |
| Total expenses  | 19,024,361   | -                         | -                         | 19,024,361    |
| Changes in net assets from operations                     | (482,718)    | (198,779)                 | 152,825                   | (528,672)     |
| <b>OTHER INCOME (EXPENSES):</b>                           |              |                           |                           |               |
| Collection items purchased but not capitalized            | (34,576)     | -                         | -                         | (34,576)      |
| Net realized and unrealized gains (losses) on investments | 1,958,563    | 85,370                    | -                         | 2,043,933     |
| Changes in net asset before transfer of fund restrictions | 1,441,269    | (113,409)                 | 152,825                   | 1,480,685     |
| Transfer of fund restrictions                             | (33,515)     | 30,091                    | 3,424                     | -             |
| Changes in net assets                                     | 1,407,754    | (83,318)                  | 156,249                   | 1,480,685     |
| NET ASSETS, beginning of year                             | 5,897,422    | 3,500,378                 | 3,722,932                 | 13,120,732    |
| NET ASSETS, end of year                                   | \$ 7,305,176 | \$ 3,417,060              | \$ 3,879,181              | \$ 14,601,417 |

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

## OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
|---|-------------------|---------------------------|---------------------------|-------------------|
| <b>SUPPORT:</b>   |                   |                           |                           |                   |
| State appropriations:                                     |                   |                           |                           |                   |
| Operating subsidies                                       | \$ 7,275,353      | \$ -                      | \$ -                      | \$ 7,275,353      |
| Capital projects  | 3,058,185         | -                         | -                         | 3,058,185         |
| Government contracts and grants                           | 3,415,458         | -                         | -                         | 3,415,458         |
| Private contracts and grants                              | 70,882            | -                         | -                         | 70,882            |
| Contributions   | 358,245           | 548,864                   | 76,564                    | 983,673           |
| Contributed materials and services                        | 505,148           | -                         | -                         | 505,148           |
| Other support   | 51,543            | 4,000                     | -                         | 55,543            |
| <b>Total support</b>                                      | <b>14,734,814</b> | <b>552,864</b>            | <b>76,564</b>             | <b>15,364,242</b> |
| <b>REVENUE:</b>   |                   |                           |                           |                   |
| Admissions and parking                                    | 333,208           | -                         | -                         | 333,208           |
| Memberships and subscriptions                             | 358,407           | -                         | -                         | 358,407           |
| Investment income   | 187,816           | 135,272                   | -                         | 323,088           |
| Sales   | 198,108           | -                         | -                         | 198,108           |
| Special events  | 91,148            | -                         | -                         | 91,148            |
| Program services income                                   | 457,120           | -                         | -                         | 457,120           |
| Other revenue   | 122,135           | -                         | -                         | 122,135           |
| <b>Total revenue</b>                                      | <b>1,747,942</b>  | <b>135,272</b>            | <b>-</b>                  | <b>1,883,214</b>  |
| Net assets released from restriction                      | 1,384,790         | (1,189,853)               | (194,937)                 | -                 |
| <b>Total support and revenue</b>                          | <b>17,867,546</b> | <b>(501,717)</b>          | <b>(118,373)</b>          | <b>17,247,456</b> |
| <b>EXPENSES:</b>  |                   |                           |                           |                   |
| Program expenses:   |                   |                           |                           |                   |
| Site operations, educational and interpretive programs    | 8,991,982         | -                         | -                         | 8,991,982         |
| State archives and library                                | 1,173,521         | -                         | -                         | 1,173,521         |
| Historic preservation office                              | 1,693,522         | -                         | -                         | 1,693,522         |
| Capital projects  | 3,058,258         | -                         | -                         | 3,058,258         |
| Support services:   |                   |                           |                           |                   |
| Management and general                                    | 2,358,314         | -                         | -                         | 2,358,314         |
| Business ventures   | 171,417           | -                         | -                         | 171,417           |
| Fundraising   | 415,884           | -                         | -                         | 415,884           |
| <b>Total expenses</b>                                     | <b>17,862,898</b> | <b>-</b>                  | <b>-</b>                  | <b>17,862,898</b> |
| Changes in net assets from operations                     | 4,648             | (501,717)                 | (118,373)                 | (615,442)         |
| <b>OTHER INCOME (EXPENSES):</b>                           |                   |                           |                           |                   |
| Life insurance proceeds                                   | 250,553           | -                         | -                         | 250,553           |
| Collection items purchased but not capitalized            | (27,976)          | -                         | -                         | (27,976)          |
| Net realized and unrealized gains (losses) on investments | 661,250           | 545,368                   | -                         | 1,206,618         |
| <b>Changes in net asset before transfer</b>               | <b>888,475</b>    | <b>43,651</b>             | <b>(118,373)</b>          | <b>813,753</b>    |
| Transfers to outside organizations                        | (531,955)         | 12,323                    | -                         | (519,632)         |
| Transfer of fund restrictions                             | (25,137)          | 25,137                    | -                         | -                 |
| <b>Changes in net assets</b>                              | <b>331,383</b>    | <b>81,111</b>             | <b>(118,373)</b>          | <b>294,121</b>    |
| NET ASSETS, beginning of year                             | 5,566,039         | 3,419,267                 | 3,841,305                 | 12,826,611        |
| NET ASSETS, end of year                                   | \$ 5,897,422      | \$ 3,500,378              | \$ 3,722,932              | \$ 13,120,732     |

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

OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

|  | 2011         | 2010         |
|--|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |              |              |
| Changes in net assets  | \$ 1,480,685 | \$ 294,121   |
| Adjustments to reconcile changes in net assets to net cash used in operating activities: |              |              |
| Depreciation   | 123,238      | 102,892      |
| Loss on sale or disposal of property and equipment                                       | -            | 7,470        |
| Net realized and unrealized (gains) losses on investments                                | (2,043,933)  | (1,206,618)  |
| (Increase) decrease in operating assets:   |              |              |
| Receivables  | 74,692       | (283,084)    |
| Inventories  | 13,224       | 101,941      |
| Prepaid expenses and other current assets  | (252,141)    | 53,293       |
| Increase (decrease) in operating liabilities:  |              |              |
| Accounts payable   | 279,906      | (73,399)     |
| Accrued salaries, wages and other accrued liabilities                                    | (144,359)    | (425,760)    |
| Accrued leave liability  | (146,932)    | (189,433)    |
| Deferred state support   | (169,948)    | 127,744      |
| Deferred subscription and other revenue  | 67,461       | (8,035)      |
| Total adjustments  | (2,198,792)  | (1,792,989)  |
| Net cash used in operating activities  | (718,107)    | (1,498,868)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |              |              |
| Payments for purchases of long-term investments and reinvested interest and dividends    | (307,637)    | (1,874,026)  |
| Proceeds from the sale of long-term investments  | 772,861      | 3,166,230    |
| Payments for the purchase of property and equipment                                      | (8,776)      | (50,000)     |
| Proceeds from the sale of property and equipment   | -            | 8,850        |
| Net cash provided by investing activities  | 456,448      | 1,251,054    |
| Net decrease in cash and cash equivalents  | (261,659)    | (247,814)    |
| CASH AND CASH EQUIVALENTS, beginning of year   | 1,384,797    | 1,632,611    |
| CASH AND CASH EQUIVALENTS, end of year   | \$ 1,123,138 | \$ 1,384,797 |

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

# OHIO HISTORICAL SOCIETY AND AFFILIATE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization and Purpose

The Ohio Historical Society (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 magazine 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 (the "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.

#### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Ohio Historical Society and the Ohio Historical Society Foundation (collectively, the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation.

#### Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the Organization's accounts are maintained in accordance with the principles of fund accounting. Separate accounts are maintained for each fund; however, in the accompanying consolidated 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.

#### Revenue Recognition

The Organization's revenue recognition policies are as follows:

##### Grant Revenue

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.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

State Subsidies

The Organization receives significant subsidies from the State of Ohio. Subsidies appropriated to defray operational costs (mandated under Section 149.3 of the Ohio Revised Code) are recognized as unrestricted support when received, or in the case of the Ohio Bicentennial Commission, as temporarily restricted support. Subsidies appropriated for capital improvements are recognized as support at the time related expenditures are made. Any excess of receipts over expenditures for State capital improvement appropriations or government grants is recorded as deferred support.

Contributions

Contributions and gifts are recorded at fair value at the date of the donor's promise to give. These contributions and gifts are considered to be available for unrestricted use, unless specifically restricted by the donor.

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 consolidated financial statements at their estimated fair value. The value of these contributions is reflected in the consolidated statements of activities and changes in net assets as contributed materials and services and as program expenses. A breakdown of the kind of service volunteered, associated hours contributed, and estimated values are shown below.

| Kind of Service                   | 2011                 |                    | 2010                 |                    |
|-----------------------------------|----------------------|--------------------|----------------------|--------------------|
|                                   | Hours<br>Contributed | Estimated<br>Value | Hours<br>Contributed | Estimated<br>Value |
| Interpretive services             | 41,516               | \$ 462,906         | 23,292               | \$ 259,700         |
| Collection/curatorial<br>services | 13,948               | 221,355            | 10,253               | 132,064            |
| Research                          | 545                  | 7,597              | 3,632                | 50,634             |
| All other services                | 10,037               | 154,432            | 6,324                | 62,750             |
| Total                             | 66,046               | \$ 846,290         | 43,501               | \$ 505,148         |

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 under generally accepted accounting principles.

Sales, Admissions, and Parking

Receipts from the sale of merchandise are recognized as revenue as the items are delivered to the customers. Admissions and parking receipts are recognized as earned, which occurs when the services are provided to the customers.

Memberships

All membership receipts, including subscription revenues, are deferred and recognized over the period to which the memberships are related.

Cash and Cash Equivalents

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

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables primarily represent amounts due to the Organization under government grants, contracts, contributions, or from others. Receivables are presented net of estimated allowances for doubtful accounts. Management provides for doubtful accounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Amounts are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as income when received. As of June 30, 2011 and 2010, there was no allowance for doubtful accounts.

Contract receivables represent reimbursements for capital project expenses due from the Ohio Cultural Facilities Commission (see Note 9). \$1,078,612 and \$601,080 of these receivables were unbilled as of June 30, 2011 and 2010, respectively.

Inventories

Inventories consist of supplies and resale merchandise, and are valued at the lower of average cost or market. Inventories are presented net of an allowance for obsolescence in the amount of \$31,500 as of June 30 for both 2011 and 2010.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives of the underlying assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation and amortization are eliminated from the accounts and any resulting gain or loss is reflected in income. Depreciation for financial reporting purposes is based on the following policies:

| <u>Description</u>      | <u>Useful Lives</u> | <u>Method</u> |
|-------------------------|---------------------|---------------|
| Machinery and equipment | 3-15 years          | Straight-line |
| Vehicles                | 5-7 years           | Straight-line |
| Buildings               | 30 years            | Straight-line |

Collections and Exhibits

Purchased and contributed collection and library objects are not included in the consolidated statements of financial position. No amounts are included in the consolidated statements of activities 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 6).

Long-Term Investments

Long-term investments primarily consist of an internally managed portfolio of stocks, bonds, and mutual funds and are presented at fair value. Net realized and unrealized gains and losses are reported as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this framework are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2011 and 2010.

*Common stocks, corporate bonds and U.S. government securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the net asset value ("NAV") of shares held by the Organization at year end.

All of the Organization's financial instruments measured at fair value consist of assets which are valued using Level 1 inputs as of June 30, 2011 and 2010.

Classification of Net Assets

The Organization's resources are classified into three net asset categories according to donor-imposed restrictions. A description of the categories follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or by Board designation. Donor restricted contributions whose restrictions are met in the same year as the contributions are recorded as unrestricted net assets.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily Restricted - Net assets whose use by the Organization is limited by the donor-imposed stipulations that either expire by the passage of time or that can be fulfilled by actions of the Organization.

Permanently Restricted - Net assets whose use by the Organization is permanently limited by donor-imposed stipulations.

Quasi-Endowment Funds

The Organization maintains unrestricted contributions that are earmarked as quasi-endowment funds by the Organization's Board of Trustees.

UPMIFA, ASC 958-205 and Endowment Funds

On November 17, 2008, the General Assembly adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The law was signed on January 6, 2009 and it became effective June 1, 2009. The Organization has evaluated the potential impact of the law as it relates to the Organization and the required disclosures in the consolidated financial statements.

During 2008, the Financial Accounting Standards Board released ASC 958-205, providing guidance on the net asset classification of donor-restricted endowment funds. ASC 958-205 requires enhanced disclosures for endowment funds.

The Board of Trustees has approved an investment policy detailing the long term goals, asset allocation, guidelines for security selection, measurable objectives and on-going communication. Objectives of the policy are, first and foremost, to preserve the safety to the principal and second, to maximize investment income. Endowment funds are subject to the investment policy approved by the Board of Trustees.

The Organization's endowment consists of several permanently restricted funds established for a variety of purposes. The endowment funds are recorded at historical dollar value. Income and realized/unrealized gains/losses for some specific funds' income is to be recorded as temporarily restricted until spent for those specific purposes in accordance with the spending policy approved by the Board of Trustees. In addition, earnings in excess of the spending policy may be added to permanently restricted corpus. Income from other funds is to be used for general operations, and is recorded as unrestricted.

Joint Activity Costs

The Organization allocates joint costs to program, management and general and fundraising expenses. Cost allocation occurs whenever costs are associated with more than one activity, and are attributed to each activity specifically.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$111,313 and \$107,089 for the years ended June 30, 2011 and 2010, respectively.

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.



OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain business activities of the Organization may be subject to Federal income taxes. No provision for federal taxes was necessary for the years ended June 30, 2011 and 2010.

Effective July 1, 2009, generally accepted accounting principles require the Organization to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying statements of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Management believes that none of the tax positions taken would materially impact the financial statements and no such liabilities have been recorded. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state or local tax authorities for the years ended June 30, 2007 and prior.

Subsequent Events

The Organization has evaluated subsequent events through October 17, 2011, the date on which the financial statements were available to be issued. There were no subsequent events requiring disclosure.

NOTE 2: RISKS AND UNCERTAINTIES

Uninsured Risk - Cash Deposits

The Organization maintains its cash and cash equivalent balances in financial institutions located in central Ohio. Deposits in interest-bearing accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a coverage limit of \$250,000 through December 31, 2012. Insurance on deposits in noninterest-bearing accounts is unlimited. The Organization has both interest-bearing and noninterest-bearing accounts. As a result, the Organization may have balances in interest-bearing accounts that exceed the insured limit.

Market Risk - Investments

The accompanying consolidated financial statements include investments in equity securities, corporate bonds and mutual funds. The underlying investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the inherent level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Concentration Risk - State Subsidies

State subsidies represented 41% and 41% of the Organization's total support and revenue for the years ended June 30, 2011 and 2010, respectively. Future reductions in these subsidy allocations may have a material impact on the Organization's operations.

## OHIO HISTORICAL SOCIETY AND AFFILIATE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following as of June 30:

|                    | 2011                | 2010                |
|--------------------|---------------------|---------------------|
| Cash               | \$ 342,138          | \$ 444,021          |
| Money market funds | 781,000             | 940,776             |
| Total              | <u>\$ 1,123,138</u> | <u>\$ 1,384,797</u> |

## NOTE 4: CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of June 30:

| Contributions Receivable              | 2011             | 2010             |
|---------------------------------------|------------------|------------------|
| From individuals                      | \$ 10,560        | \$ 26,133        |
| From corporations                     | 22,500           | 15,900           |
| Gross contributions receivable        | 33,060           | 42,033           |
| Less: unamortized discount            | ( 1,574)         | ( 2,002)         |
| Less: allowance for doubtful accounts | ( 3,312)         | ( 4,979)         |
| Net contributions receivable          | <u>\$ 28,174</u> | <u>\$ 35,052</u> |
| Amounts due in:                       |                  |                  |
| Less than one year                    | \$ 33,060        | \$ 35,366        |
| One to five years                     | -                | 6,667            |
| Less: unamortized discount            | ( 1,574)         | ( 2,002)         |
| Less: allowance for doubtful accounts | ( 3,312)         | ( 4,979)         |
| Net contributions receivable          | <u>\$ 28,174</u> | <u>\$ 35,052</u> |

## NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

|                                 | 2011              | 2010              |
|---------------------------------|-------------------|-------------------|
| Machinery and equipment         | \$ 992,076        | \$ 1,043,494      |
| Land                            | 284,866           | 284,866           |
| Vehicles                        | 391,846           | 391,846           |
| Buildings                       | 77,800            | 77,800            |
| Property and equipment, at cost | 1,746,588         | 1,798,006         |
| Less: accumulated depreciation  | (1,303,588)       | (1,240,544)       |
| Property and equipment, net     | <u>\$ 443,000</u> | <u>\$ 557,462</u> |

## NOTE 6: COLLECTIONS AND EXHIBITS

The Organization does not capitalize its artifacts and collections. The Organization's historical collections consist of approximately 1,700,000 artifacts 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 collections preserve 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 collections of Ohio-related books, microfilm, manuscripts, maps, state and local government records, newspapers, photographs, films, videos and recordings.

OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: COLLECTIONS AND EXHIBITS (Continued)

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 2011 and 2010.

NOTE 7: LONG-TERM INVESTMENTS

Long-term investments consist of the following as of June 30:

|                         | 2011                 | 2010                 |
|-------------------------|----------------------|----------------------|
| Certificates of deposit | \$ 466,185           | \$ 456,183           |
| Mutual funds            | 13,652,573           | 12,083,866           |
| Total                   | <u>\$ 14,118,758</u> | <u>\$ 12,540,049</u> |

As of June 30, 2011 and 2010, the Organization had on deposit with the Ohio Bureau of Employment Services \$99,000 of Certificates of Deposit (recorded as unrestricted long-term investments). This deposit is collateral for unemployment repayments and is required by State statute for reimbursing employers.

NOTE 8: NET ASSETS

As of June 30, 2011 and 2010, temporarily restricted net assets are available for future year operations. Amounts are as follows:

| Temporarily Restricted Net Assets | 2011                | 2010                |
|-----------------------------------|---------------------|---------------------|
| Ohio Bicentennial Commission      | \$ 159,052          | \$ 165,802          |
| For specific sites and programs   | 2,107,589           | 2,768,156           |
| Endowment fund balance            | 1,150,419           | 566,420             |
| Total                             | <u>\$ 3,417,060</u> | <u>\$ 3,500,378</u> |

Net assets were released from donor restrictions during fiscal years 2011 and 2010 by the passage of time, incurring expenses satisfying purpose restrictions or fulfilling performance requirements specified by donors as follows:

| Net Assets Released From Donor Restrictions | 2011                | 2010                |
|---|---------------------|---------------------|
| Ohio Bicentennial Commission                | \$ 6,750            | \$ 17,175           |
| For specific sites and purposes             | 1,023,187           | 1,367,615           |
| Total                                       | <u>\$ 1,029,937</u> | <u>\$ 1,384,790</u> |

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8: NET ASSETS (Continued)

Endowment fund activity for the year ended June 30, 2011 consisted of the following:

|  | Unrestricted     | Temporarily<br>Restricted | Permanently<br>Restricted | Total               |
|--|------------------|---------------------------|---------------------------|---------------------|
| Endowment net assets,<br>beginning of year | \$ (5,278)       | \$ 566,420                | \$ 3,722,932              | \$ 4,284,074        |
| Investment return                          | 64,084           | 667,160                   | -                         | 731,244             |
| Contributions                              | -                | -                         | 152,825                   | 152,825             |
| Appropriated for expenditure               | (11,872)         | (113,252)                 | -                         | (125,124)           |
| Reclassifications                          | -                | 30,091                    | 3,424                     | 33,515              |
| Endowment net assets,<br>end of year       | <u>\$ 46,934</u> | <u>\$ 1,150,419</u>       | <u>\$ 3,879,181</u>       | <u>\$ 5,076,534</u> |

Endowment fund activity for the year ended June 30, 2010 consisted of the following:

|  | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total               |
|--|-------------------|---------------------------|---------------------------|---------------------|
| Endowment net assets,<br>beginning of year | \$ (32,401)       | \$ 272,922                | \$ 3,841,305              | \$ 4,081,826        |
| Investment return                          | 39,446            | 415,152                   | -                         | 454,598             |
| Contributions                              | -                 | -                         | 76,564                    | 76,564              |
| Appropriated for expenditure               | (12,323)          | (121,654)                 | -                         | (133,977)           |
| Transfers to outside<br>organizations      | -                 | -                         | (194,937)                 | (194,937)           |
| Endowment net assets,<br>end of year       | <u>\$ (5,278)</u> | <u>\$ 566,420</u>         | <u>\$ 3,722,932</u>       | <u>\$ 4,284,074</u> |

As described in Note 1, UPMIFA prescribes new guidelines for expenditure of donor-restricted endowment funds where the focus is shifted from prudent spending to the management of the entirety of the fund. The amount that is classified as permanently restricted is the amount of the fund that a.) must be retained permanently in accordance with explicit donor stipulations, or b.) that in the absence of such stipulations, the Organization's Board of Trustees determines must be retained permanently under the relevant law. The Organization has reclassified amounts to temporarily restricted and unrestricted net assets accordingly.

NOTE 9: STATE CAPITAL APPROPRIATIONS

As of June 30, 2011, the Organization still has available for future use bond money appropriated to the Ohio Cultural Facilities Commission from the State for various capital projects in the amount of \$2,993,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Organization contributes to the Public Employees Retirement System of Ohio (the "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 and Organization employees are required to contribute 10.0% of their annual covered salary to fund pension obligations, and the Organization is required to contribute 14.0%. 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, 2011 and 2010 were approximately \$1,017,000 and \$1,111,000, 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 employer contribution rate was 14.0% of covered payroll; 5.5% (7.0% until March 30, 2009) was the portion that was used to fund post-retirement healthcare.

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 as of December 31, 2010 (the latest information available) were approximately \$76.492 billion.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The Organization is committed to certain levels of cost sharing (matching) pertaining to specific federal grants, and its obligation 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, 2011 will not have a material adverse effect on the Organization's financial position and results of activities.



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

October 17, 2011

To the Board of Trustees  
Ohio Historical Society and Affiliate  
Columbus, Ohio

**INDEPENDENT AUDITORS' 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**

We have audited the consolidated statements of financial position of the Ohio Historical Society and Affiliate (the "Organization") as of and for the year end June 30, 2011, and have issued our report thereon dated October 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Organization'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 Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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# Rea & Associates, Inc.

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*Focused on Your Future.*

To the Board of Trustees  
Ohio Historical Society and Affiliate  
Columbus, Ohio

October 17, 2011

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

### 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs 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 on the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that are could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

### Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

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## OHIO HISTORICAL SOCIETY AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| Federal Grantor/<br>Pass Through Grantor/<br>Program Title   | CFDA<br>Number | Federal<br>Disbursements   |
|--|----------------|----------------------------|
| U.S. National Archives and Records Administration<br>National Historical Publications and Records Commission:<br>Ohio Historical Records Advisory Board Planning | 89.003         | \$ 27,609                  |
| Institute of Museum and Library Services<br>Museums for America - Connect Ohio   | 45.301         | 125,739                    |
| National Leadership Grants   | 45.312         | 31,344                     |
|  |                | <u>157,083</u>             |
| U.S. Department of Education<br>Office of Innovation and Improvement:<br>Ohio Historical Society Congressional Academy Program                                   | 84.215D        | 23,152                     |
| U.S. Department of the Interior<br>National Park Service<br>Recent Past Historic Context and Dayton-Area Pilot Survey  | 15.904         | 25,005                     |
| Historic Preservation Fund Grants-in-Aid   | 15.904         | 1,128,085                  |
|  |                | <u>1,153,090</u>           |
| American Battlefield Protection  | 15.926         | 6,190                      |
| Save America's Treasures   | 15.929         | 84,878                     |
| Total U.S. Department of the Interior  |                | <u>1,244,158</u>           |
| National and Community Service<br>AmeriCorps - The Ohio History Services Corps   | 94.006         | 179,244                    |
| Federal Highway Administration<br>Morgan's Raiders Highway Markers   | 20.205         | 9,356                      |
| National Endowment for the Humanities<br>National Digital Newspaper Program  | 45.149         | 150,922                    |
| Picturing America: Transitions from Rural to Urban Life  | 45.163         | 19,252                     |
|  |                | <u>170,174</u>             |
| U.S. Department of Housing and Urban Development<br>Office of Community Planning and Development<br>Serpent Mound State Memorial                                 | 14.251         | 28,552                     |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>  |                | <u><u>\$ 1,839,328</u></u> |

See notes to the schedule of expenditures of federal awards.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Ohio Historical Society and Affiliate (the "Organization") and is presented 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Organization provided federal awards to subrecipients as follows:

| <u>Program Title</u>               | <u>Federal<br/>CFDA<br/>Number</u> | <u>Amount</u> |
|------------------------------------|------------------------------------|---------------|
| National Historic Preservation Act | 15.904                             | \$ 90,454     |

OHIO HISTORICAL SOCIETY AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133, SECTION.505  
 JUNE 30, 2011

| <b>1. SUMMARY OF AUDITORS' RESULTS</b> |   |   |
|--|---|---|
| (d) (1) (i)                            | Type of Financial Statement<br>Opinion  | Unqualified   |
| (d) (1) (ii)                           | Were there any material control weakness conditions reported at the financial statement level (GAGAS)?    | No  |
| (d) (1) (ii)                           | Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)? | No  |
| (d) (1) (iii)                          | Were there any reported material non-compliance at the financial statement level (GAGAS)?                 | No  |
| (d) (1) (iv)                           | Were there any material internal control weakness conditions reported for major federal programs?         | No  |
| (d) (1) (iv)                           | Were there any other significant deficiencies reported for major federal programs                         | No  |
| (d) (1) (v)                            | Type of Major Programs'<br>Compliance Opinion   | Unqualified   |
| (d) (1) (vi)                           | Are there any reportable findings under Section .510?   | No  |
| (d) (1) (vii)                          | Major Programs (list):  | Historic Preservation Fund Grants-in-Aid (CFDA #15.904) |
| (d) (1) (viii)                         | Dollar Threshold: Type A/B Programs   | Type A: > \$300,000<br>Type B: All others               |
| (d) (1) (ix)                           | Low Risk Auditee?   | Yes   |

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None were noted

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None were noted

OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2011

|   | Ohio Historical Society |                        |                        |                     | Ohio Historical Society Foundation |                        |                        |                      |
|---|-------------------------|------------------------|------------------------|---------------------|------------------------------------|------------------------|------------------------|----------------------|
|   | Unrestricted            | Temporarily Restricted | Permanently Restricted | Total               | Unrestricted                       | Temporarily Restricted | Permanently Restricted | Total                |
| <b>ASSETS</b>   |                         |                        |                        |                     |                                    |                        |                        |                      |
| <b>CURRENT ASSETS:</b>                                |                         |                        |                        |                     |                                    |                        |                        |                      |
| Cash and cash equivalents                             | \$ 183,019              | \$ 159,052             | \$ -                   | \$ 342,071          | \$ 378,527                         | \$ -                   | \$ 402,540             | \$ 781,067           |
| Receivables:  |                         |                        |                        |                     |                                    |                        |                        |                      |
| Grants  | 463,786                 | -                      | -                      | 463,786             | -                                  | -                      | -                      | -                    |
| Contracts   | 1,078,612               | -                      | -                      | 1,078,612           | -                                  | -                      | -                      | -                    |
| Contributions, net                                    | -                       | -                      | -                      | -                   | -                                  | 28,174                 | -                      | 28,174               |
| Other, net  | 203,046                 | -                      | -                      | 203,046             | 5,965                              | -                      | -                      | 5,965                |
| Inventories, net                                      | 225,176                 | -                      | -                      | 225,176             | -                                  | -                      | -                      | -                    |
| Prepaid expenses and other current assets             | 357,226                 | -                      | -                      | 357,226             | -                                  | 34,274                 | -                      | 34,274               |
| Total current assets                                  | 2,510,865               | 159,052                | -                      | 2,669,917           | 384,492                            | 62,448                 | 402,540                | 849,480              |
| PROPERTY AND EQUIPMENT, net                           | 443,000                 | -                      | -                      | 443,000             | -                                  | -                      | -                      | -                    |
| LONG-TERM INVESTMENTS                                 | 932,442                 | -                      | -                      | 932,442             | 6,514,115                          | 3,195,560              | 3,476,641              | 13,186,316           |
| Total assets  | <u>\$ 3,886,307</u>     | <u>\$ 159,052</u>      | <u>\$ -</u>            | <u>\$ 4,045,359</u> | <u>\$ 6,898,607</u>                | <u>\$ 3,258,008</u>    | <u>\$ 3,879,181</u>    | <u>\$ 14,035,796</u> |
| <b>LIABILITIES AND NET ASSETS</b>                     |                         |                        |                        |                     |                                    |                        |                        |                      |
| <b>CURRENT LIABILITIES:</b>                           |                         |                        |                        |                     |                                    |                        |                        |                      |
| Accounts payable                                      | \$ 1,031,221            | \$ -                   | \$ -                   | \$ 1,031,221        | \$ 155,680                         | \$ -                   | \$ -                   | \$ 155,680           |
| Accrued salaries, wages and other accrued liabilities | 863,117                 | -                      | -                      | 863,117             | -                                  | -                      | -                      | -                    |
| Accrued leave liability                               | 633,408                 | -                      | -                      | 633,408             | -                                  | -                      | -                      | -                    |
| Deferred state support                                | 44,186                  | -                      | -                      | 44,186              | -                                  | -                      | -                      | -                    |
| Deferred subscription and other revenue               | 752,126                 | -                      | -                      | 752,126             | -                                  | -                      | -                      | -                    |
| Total current liabilities                             | 3,324,058               | -                      | -                      | 3,324,058           | 155,680                            | -                      | -                      | 155,680              |
| <b>NET ASSETS:</b>                                    |                         |                        |                        |                     |                                    |                        |                        |                      |
| Operations  | (1,068,915)             | -                      | -                      | (1,068,915)         | -4,643,822                         | 2,107,589              | -                      | 6,751,411            |
| Board designated:                                     |                         |                        |                        |                     |                                    |                        |                        |                      |
| Reserves  | 497,416                 | -                      | -                      | 497,416             | -                                  | -                      | -                      | -                    |
| Specific programs and projects                        | 1,133,748               | -                      | -                      | 1,133,748           | -                                  | -                      | -                      | -                    |
| Ohio Bicentennial Commission                          | -                       | 159,052                | -                      | 159,052             | -                                  | -                      | -                      | -                    |
| Endowment fund balance                                | -                       | -                      | -                      | -                   | 46,934                             | 1,150,419              | 3,879,181              | 5,076,534            |
| Quasi-Endowment                                       | -                       | -                      | -                      | -                   | 2,052,171                          | -                      | -                      | 2,052,171            |
| Total net assets                                      | 562,249                 | 159,052                | -                      | 721,301             | 6,742,927                          | 3,258,008              | 3,879,181              | 13,880,116           |
| Total liabilities and net assets                      | <u>\$ 3,886,307</u>     | <u>\$ 159,052</u>      | <u>\$ -</u>            | <u>\$ 4,045,359</u> | <u>\$ 6,898,607</u>                | <u>\$ 3,258,008</u>    | <u>\$ 3,879,181</u>    | <u>\$ 14,035,796</u> |

|   | Combined Total       |                        |                        |                      | Intercompany Adjustments |                     | Consolidated Total   |                        |                        |                      |
|---|----------------------|------------------------|------------------------|----------------------|--------------------------|---------------------|----------------------|------------------------|------------------------|----------------------|
|   | Unrestricted         | Temporarily Restricted | Permanently Restricted | Total                | QHS                      | QHSE                | Unrestricted         | Temporarily Restricted | Permanently Restricted | Total                |
| <b>ASSETS</b>   |                      |                        |                        |                      |                          |                     |                      |                        |                        |                      |
| <b>CURRENT ASSETS:</b>                                |                      |                        |                        |                      |                          |                     |                      |                        |                        |                      |
| Cash and cash equivalents                             | \$ 561,546           | \$ 159,052             | \$ 402,540             | \$ 1,123,138         | \$ -                     | \$ -                | \$ 561,546           | \$ 159,052             | \$ 402,540             | \$ 1,123,138         |
| Receivables:  |                      |                        |                        |                      |                          |                     |                      |                        |                        |                      |
| Grants  | 463,786              | -                      | -                      | 463,786              | -                        | -                   | 463,786              | -                      | -                      | 463,786              |
| Contracts   | 1,078,612            | -                      | -                      | 1,078,612            | -                        | -                   | 1,078,612            | -                      | -                      | 1,078,612            |
| Contributions   | -                    | 28,174                 | -                      | 28,174               | -                        | -                   | -                    | 28,174                 | -                      | 28,174               |
| Other, net  | 209,011              | -                      | -                      | 209,011              | (155,680)                | (5,965)             | 47,366               | -                      | -                      | 47,366               |
| Inventories, net                                      | 225,176              | -                      | -                      | 225,176              | -                        | -                   | 225,176              | -                      | -                      | 225,176              |
| Prepaid expenses and other current assets             | 357,226              | 34,274                 | -                      | 391,500              | -                        | -                   | 357,226              | 34,274                 | -                      | 391,500              |
| <b>Total current assets</b>                           | <b>2,895,357</b>     | <b>221,500</b>         | <b>402,540</b>         | <b>3,519,397</b>     | <b>(155,680)</b>         | <b>(5,965)</b>      | <b>2,733,712</b>     | <b>221,500</b>         | <b>402,540</b>         | <b>3,357,752</b>     |
| PROPERTY AND EQUIPMENT, net                           | 443,000              | -                      | -                      | 443,000              | -                        | -                   | 443,000              | -                      | -                      | 443,000              |
| LONG-TERM INVESTMENTS                                 | 7,446,557            | 3,195,560              | 3,476,641              | 14,118,758           | -                        | -                   | 7,446,557            | 3,195,560              | 3,476,641              | 14,118,758           |
| <b>Total assets</b>                                   | <b>\$ 10,784,914</b> | <b>\$ 3,417,060</b>    | <b>\$ 3,879,181</b>    | <b>\$ 18,081,155</b> | <b>\$ (155,680)</b>      | <b>\$ (5,965)</b>   | <b>\$ 10,623,269</b> | <b>\$ 3,417,060</b>    | <b>\$ 3,879,181</b>    | <b>\$ 17,919,510</b> |
| <b>LIABILITIES AND NET ASSETS</b>                     |                      |                        |                        |                      |                          |                     |                      |                        |                        |                      |
| <b>CURRENT LIABILITIES:</b>                           |                      |                        |                        |                      |                          |                     |                      |                        |                        |                      |
| Accounts payable                                      | \$ 1,186,901         | \$ -                   | \$ -                   | \$ 1,186,901         | \$ (5,965)               | \$ (155,680)        | \$ 1,025,256         | \$ -                   | \$ -                   | \$ 1,025,256         |
| Accrued salaries, wages and other accrued liabilities | 863,117              | -                      | -                      | 863,117              | -                        | -                   | 863,117              | -                      | -                      | 863,117              |
| Accrued leave liability                               | 633,408              | -                      | -                      | 633,408              | -                        | -                   | 633,408              | -                      | -                      | 633,408              |
| Deferred state support                                | 44,186               | -                      | -                      | 44,186               | -                        | -                   | 44,186               | -                      | -                      | 44,186               |
| Deferred subscription and other revenue               | 752,126              | -                      | -                      | 752,126              | -                        | -                   | 752,126              | -                      | -                      | 752,126              |
| <b>Total current liabilities</b>                      | <b>3,479,738</b>     | <b>-</b>               | <b>-</b>               | <b>3,479,738</b>     | <b>(5,965)</b>           | <b>(155,680)</b>    | <b>3,318,093</b>     | <b>-</b>               | <b>-</b>               | <b>3,318,093</b>     |
| <b>NET ASSETS:</b>                                    |                      |                        |                        |                      |                          |                     |                      |                        |                        |                      |
| Operations  | 3,574,907            | 2,107,589              | -                      | 5,682,496            | -                        | -                   | 3,574,907            | 2,107,589              | -                      | 5,682,496            |
| Board designated:                                     |                      |                        |                        |                      |                          |                     |                      |                        |                        |                      |
| Reserves  | 497,416              | -                      | -                      | 497,416              | -                        | -                   | 497,416              | -                      | -                      | 497,416              |
| Specific programs and projects                        | 1,133,748            | -                      | -                      | 1,133,748            | -                        | -                   | 1,133,748            | -                      | -                      | 1,133,748            |
| Ohio Bicentennial Commission                          | -                    | 159,052                | -                      | 159,052              | -                        | -                   | -                    | 159,052                | -                      | 159,052              |
| Endowment fund balance                                | 46,934               | 1,150,419              | 3,879,181              | 5,076,534            | -                        | -                   | 46,934               | 1,150,419              | 3,879,181              | 5,076,534            |
| Quasi-Endowment                                       | 2,052,171            | -                      | -                      | 2,052,171            | -                        | -                   | 2,052,171            | -                      | -                      | 2,052,171            |
| <b>Total net assets</b>                               | <b>7,305,176</b>     | <b>3,417,060</b>       | <b>3,879,181</b>       | <b>14,601,417</b>    | <b>-</b>                 | <b>-</b>            | <b>7,305,176</b>     | <b>3,417,060</b>       | <b>3,879,181</b>       | <b>14,601,417</b>    |
| <b>Total liabilities and net assets</b>               | <b>\$ 10,784,914</b> | <b>\$ 3,417,060</b>    | <b>\$ 3,879,181</b>    | <b>\$ 18,081,155</b> | <b>\$ (5,965)</b>        | <b>\$ (155,680)</b> | <b>\$ 10,623,269</b> | <b>\$ 3,417,060</b>    | <b>\$ 3,879,181</b>    | <b>\$ 17,919,510</b> |

See independent auditors' report and notes to the consolidated financial statements.

OHIO HISTORICAL SOCIETY AND AFFILIATE  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2010

|   | Ohio Historical Society |                        |                        |                     | Ohio Historical Society Foundation |                        |                        |                      |
|---|-------------------------|------------------------|------------------------|---------------------|------------------------------------|------------------------|------------------------|----------------------|
|   | Unrestricted            | Temporarily Restricted | Permanently Restricted | Total               | Unrestricted                       | Temporarily Restricted | Permanently Restricted | Total                |
| <b>ASSETS</b>   |                         |                        |                        |                     |                                    |                        |                        |                      |
| <b>CURRENT ASSETS:</b>                                |                         |                        |                        |                     |                                    |                        |                        |                      |
| Cash and cash equivalents                             | \$ 457,004              | \$ 165,802             | \$ -                   | \$ 622,806          | \$ 743,694                         | \$ 7,747               | \$ 10,550              | \$ 761,991           |
| Receivables:  |                         |                        |                        |                     |                                    |                        |                        |                      |
| Grants  | 554,458                 | -                      | -                      | 554,458             | -                                  | -                      | -                      | -                    |
| Contracts   | 1,065,460               | -                      | -                      | 1,065,460           | -                                  | -                      | -                      | -                    |
| Contributions, net                                    | -                       | -                      | -                      | -                   | -                                  | 35,052                 | -                      | 35,052               |
| Other, net  | 240,515                 | -                      | -                      | 240,515             | 4,840                              | 19                     | -                      | 4,859                |
| Inventories, net                                      | 238,400                 | -                      | -                      | 238,400             | -                                  | -                      | -                      | -                    |
| Prepaid expenses and other current assets             | 105,085                 | -                      | -                      | 105,085             | -                                  | 34,274                 | -                      | 34,274               |
| <b>Total current assets</b>                           | <b>2,660,922</b>        | <b>165,802</b>         | <b>-</b>               | <b>2,826,724</b>    | <b>748,534</b>                     | <b>77,092</b>          | <b>10,550</b>          | <b>836,176</b>       |
| PROPERTY AND EQUIPMENT, net                           | 557,462                 | -                      | -                      | 557,462             | -                                  | -                      | -                      | -                    |
| LONG-TERM INVESTMENTS                                 | 1,224,059               | -                      | -                      | 1,224,059           | 4,346,124                          | 3,257,484              | 3,712,382              | 11,315,990           |
| <b>Total assets</b>                                   | <b>\$ 4,442,443</b>     | <b>\$ 165,802</b>      | <b>\$ -</b>            | <b>\$ 4,608,245</b> | <b>\$ 5,094,658</b>                | <b>\$ 3,334,576</b>    | <b>\$ 3,722,932</b>    | <b>\$ 12,152,166</b> |
| <b>LIABILITIES AND NET ASSETS</b>                     |                         |                        |                        |                     |                                    |                        |                        |                      |
| <b>CURRENT LIABILITIES:</b>                           |                         |                        |                        |                     |                                    |                        |                        |                      |
| Accounts payable                                      | \$ 750,209              | \$ -                   | \$ -                   | \$ 750,209          | \$ 202,855                         | \$ -                   | \$ -                   | \$ 202,855           |
| Accrued salaries, wages and other accrued liabilities | 1,007,476               | -                      | -                      | 1,007,476           | -                                  | -                      | -                      | -                    |
| Accrued leave liability                               | 780,340                 | -                      | -                      | 780,340             | -                                  | -                      | -                      | -                    |
| Deferred state support                                | 214,134                 | -                      | -                      | 214,134             | -                                  | -                      | -                      | -                    |
| Deferred subscription and other revenue               | 684,665                 | -                      | -                      | 684,665             | -                                  | -                      | -                      | -                    |
| <b>Total current liabilities</b>                      | <b>3,436,824</b>        | <b>-</b>               | <b>-</b>               | <b>3,436,824</b>    | <b>202,855</b>                     | <b>-</b>               | <b>-</b>               | <b>202,855</b>       |
| <b>NET ASSETS:</b>                                    |                         |                        |                        |                     |                                    |                        |                        |                      |
| Operations  | (557,585)               | -                      | -                      | (557,585)           | 3,342,479                          | 2,768,156              | -                      | 6,110,635            |
| Board designated:                                     |                         |                        |                        |                     |                                    |                        |                        |                      |
| Reserves  | 493,375                 | -                      | -                      | 493,375             | -                                  | -                      | -                      | -                    |
| Specific programs and projects                        | 1,069,829               | -                      | -                      | 1,069,829           | -                                  | -                      | -                      | -                    |
| Ohio Bicentennial Commission                          | -                       | 165,802                | -                      | 165,802             | -                                  | -                      | -                      | -                    |
| Endowment fund balance                                | -                       | -                      | -                      | -                   | (5,278)                            | 566,420                | 3,722,932              | 4,284,074            |
| Quasi-Endowment                                       | -                       | -                      | -                      | -                   | 1,554,602                          | -                      | -                      | 1,554,602            |
| <b>Total net assets</b>                               | <b>1,005,619</b>        | <b>165,802</b>         | <b>-</b>               | <b>1,171,421</b>    | <b>4,891,803</b>                   | <b>3,334,576</b>       | <b>3,722,932</b>       | <b>11,949,311</b>    |
| <b>Total liabilities and net assets</b>               | <b>\$ 4,442,443</b>     | <b>\$ 165,802</b>      | <b>\$ -</b>            | <b>\$ 4,608,245</b> | <b>\$ 5,094,658</b>                | <b>\$ 3,334,576</b>    | <b>\$ 3,722,932</b>    | <b>\$ 12,152,166</b> |

|   | Combined Total |                        |                        |               | Intercompany Adjustments |              | Consolidated Total |                        |                        |               |
|---|----------------|------------------------|------------------------|---------------|--------------------------|--------------|--------------------|------------------------|------------------------|---------------|
|   | Unrestricted   | Temporarily Restricted | Permanently Restricted | Total         | OHS                      | OHSF         | Unrestricted       | Temporarily Restricted | Permanently Restricted | Total         |
| <b>ASSETS</b>   |                |                        |                        |               |                          |              |                    |                        |                        |               |
| <b>CURRENT ASSETS:</b>                                |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Cash and cash equivalents                             | \$ 1,200,698   | \$ 173,549             | \$ 10,550              | \$ 1,384,797  | \$ -                     | \$ -         | \$ 1,200,698       | \$ 173,549             | \$ 10,550              | \$ 1,384,797  |
| Receivables:  |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Grants  | 554,458        | -                      | -                      | 554,458       | -                        | -            | 554,458            | -                      | -                      | 554,458       |
| Contracts   | 1,065,460      | -                      | -                      | 1,065,460     | -                        | -            | 1,065,460          | -                      | -                      | 1,065,460     |
| Contributions   | -              | 35,052                 | -                      | 35,052        | -                        | -            | -                  | 35,052                 | -                      | 35,052        |
| Other, net  | 245,355        | 19                     | -                      | 245,374       | (202,855)                | (4,859)      | 37,641             | 19                     | -                      | 37,660        |
| Inventories, net                                      | 238,400        | -                      | -                      | 238,400       | -                        | -            | 238,400            | -                      | -                      | 238,400       |
| Prepaid expenses and other current assets             | 105,085        | 34,274                 | -                      | 139,359       | -                        | -            | 105,085            | 34,274                 | -                      | 139,359       |
| Total current assets                                  | 3,409,456      | 242,894                | 10,550                 | 3,662,900     | (202,855)                | (4,859)      | 3,201,742          | 242,894                | 10,550                 | 3,455,186     |
| PROPERTY AND EQUIPMENT, net                           | 557,462        | -                      | -                      | 557,462       | -                        | -            | 557,462            | -                      | -                      | 557,462       |
| LONG-TERM INVESTMENTS                                 | 5,570,183      | 3,257,484              | 3,712,382              | 12,540,049    | -                        | -            | 5,570,183          | 3,257,484              | 3,712,382              | 12,540,049    |
| Total assets  | \$ 9,537,101   | \$ 3,500,378           | \$ 3,722,932           | \$ 16,760,411 | \$ (202,855)             | \$ (4,859)   | \$ 9,329,387       | \$ 3,500,378           | \$ 3,722,932           | \$ 16,552,697 |
| <b>LIABILITIES AND NET ASSETS</b>                     |                |                        |                        |               |                          |              |                    |                        |                        |               |
| <b>CURRENT LIABILITIES:</b>                           |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Accounts payable                                      | \$ 953,064     | \$ -                   | \$ -                   | \$ 953,064    | \$ (4,859)               | \$ (202,855) | \$ 745,350         | \$ -                   | \$ -                   | \$ 745,350    |
| Accrued salaries, wages and other accrued liabilities | 1,007,476      | -                      | -                      | 1,007,476     | -                        | -            | 1,007,476          | -                      | -                      | 1,007,476     |
| Accrued leave liability                               | 780,340        | -                      | -                      | 780,340       | -                        | -            | 780,340            | -                      | -                      | 780,340       |
| Deferred state support                                | 214,134        | -                      | -                      | 214,134       | -                        | -            | 214,134            | -                      | -                      | 214,134       |
| Deferred subscription and other revenue               | 684,665        | -                      | -                      | 684,665       | -                        | -            | 684,665            | -                      | -                      | 684,665       |
| Total current liabilities                             | 3,639,679      | -                      | -                      | 3,639,679     | (4,859)                  | (202,855)    | 3,431,965          | -                      | -                      | 3,431,965     |
| <b>NET ASSETS:</b>                                    |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Operations  | 2,784,894      | 2,768,156              | -                      | 5,553,050     | -                        | -            | 2,784,894          | 2,768,156              | -                      | 5,553,050     |
| Board designated:                                     |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Reserves  | 493,375        | -                      | -                      | 493,375       | -                        | -            | 493,375            | -                      | -                      | 493,375       |
| Specific programs and projects                        | 1,069,829      | -                      | -                      | 1,069,829     | -                        | -            | 1,069,829          | -                      | -                      | 1,069,829     |
| Ohio Bicentennial Commission                          | -              | 165,802                | -                      | 165,802       | -                        | -            | -                  | 165,802                | -                      | 165,802       |
| Endowment fund balance                                | (5,278)        | 566,420                | 3,722,932              | 4,284,074     | -                        | -            | (5,278)            | 566,420                | 3,722,932              | 4,284,074     |
| Quasi-Endowment                                       | 1,554,602      | -                      | -                      | 1,554,602     | -                        | -            | 1,554,602          | -                      | -                      | 1,554,602     |
| Total net assets                                      | 5,897,422      | 3,500,378              | 3,722,932              | 13,120,732    | -                        | -            | 5,897,422          | 3,500,378              | 3,722,932              | 13,120,732    |
| Total liabilities and net assets                      | \$ 9,537,101   | \$ 3,500,378           | \$ 3,722,932           | \$ 16,760,411 | \$ (4,859)               | \$ (202,855) | \$ 9,329,387       | \$ 3,500,378           | \$ 3,722,932           | \$ 16,552,697 |

See independent auditors' report and notes to the consolidated financial statements.

## OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

|  | Ohio Historical Society |                        |                        |              | Ohio Historical Society Foundation |                        |                        |               |
|--|-------------------------|------------------------|------------------------|--------------|------------------------------------|------------------------|------------------------|---------------|
|  | Unrestricted            | Temporarily Restricted | Permanently Restricted | Total        | Unrestricted                       | Temporarily Restricted | Permanently Restricted | Total         |
| <b>SUPPORT:</b>  |                         |                        |                        |              |                                    |                        |                        |               |
| State appropriations:                                      |                         |                        |                        |              |                                    |                        |                        |               |
| Operating subsidies  | \$ 7,553,377            | \$ -                   | \$ -                   | \$ 7,553,377 | \$ -                               | \$ -                   | \$ -                   | \$ -          |
| Capital projects   | 4,017,194               | -                      | -                      | 4,017,194    | -                                  | -                      | -                      | -             |
| Government contracts and grants                            | 3,179,589               | -                      | -                      | 3,179,589    | -                                  | -                      | -                      | -             |
| Private contracts and grants                               | 19,989                  | -                      | -                      | 19,989       | -                                  | -                      | -                      | -             |
| Contributions  | 1,352,612               | -                      | -                      | 1,352,612    | 327,921                            | 566,030                | 152,825                | 1,046,776     |
| Contributed materials and services                         | 846,290                 | -                      | -                      | 846,290      | -                                  | -                      | -                      | -             |
| Other support  | 60,642                  | -                      | -                      | 60,642       | -                                  | -                      | -                      | -             |
| Total support  | 17,029,693              | -                      | -                      | 17,029,693   | 327,921                            | 566,030                | 152,825                | 1,046,776     |
| <b>REVENUE:</b>  |                         |                        |                        |              |                                    |                        |                        |               |
| Admissions and parking                                     | 202,164                 | -                      | -                      | 202,164      | -                                  | -                      | -                      | -             |
| Memberships and subscriptions                              | 334,448                 | -                      | -                      | 334,448      | -                                  | -                      | -                      | -             |
| Investment income  | 32,652                  | -                      | -                      | 32,652       | 23,185                             | 265,128                | -                      | 288,313       |
| Sales  | 127,081                 | -                      | -                      | 127,081      | -                                  | -                      | -                      | -             |
| Special events   | 122,355                 | -                      | -                      | 122,355      | -                                  | -                      | -                      | -             |
| Program services income                                    | 481,936                 | -                      | -                      | 481,936      | -                                  | -                      | -                      | -             |
| Other revenue  | 181,408                 | -                      | -                      | 181,408      | -                                  | -                      | -                      | -             |
| Total revenue  | 1,482,044               | -                      | -                      | 1,482,044    | 23,185                             | 265,128                | -                      | 288,313       |
| Net assets released from restrictions                      | 6,750                   | (6,750)                | -                      | -            | 1,023,187                          | (1,023,187)            | -                      | -             |
| Total support and revenue                                  | 18,518,487              | (6,750)                | -                      | 18,511,737   | 1,374,293                          | (192,029)              | 152,825                | 1,335,089     |
| <b>EXPENSES:</b>   |                         |                        |                        |              |                                    |                        |                        |               |
| Program expenses:  |                         |                        |                        |              |                                    |                        |                        |               |
| Site operations, educational and interpretive programs     | 8,670,617               | -                      | -                      | 8,670,617    | -                                  | -                      | -                      | -             |
| State archives and library                                 | 921,739                 | -                      | -                      | 921,739      | -                                  | -                      | -                      | -             |
| Historic preservation office                               | 1,763,046               | -                      | -                      | 1,763,046    | -                                  | -                      | -                      | -             |
| Capital projects   | 4,017,194               | -                      | -                      | 4,017,194    | -                                  | -                      | -                      | -             |
| Support services:  |                         |                        |                        |              |                                    |                        |                        |               |
| Management and general                                     | 3,078,533               | -                      | -                      | 3,078,533    | 13,083                             | -                      | -                      | 13,083        |
| Business ventures  | 139,705                 | -                      | -                      | 139,705      | -                                  | -                      | -                      | -             |
| Fundraising  | 420,444                 | -                      | -                      | 420,444      | -                                  | -                      | -                      | -             |
| Total expenses   | 19,011,278              | -                      | -                      | 19,011,278   | 13,083                             | -                      | -                      | 13,083        |
| Changes in net assets from operations                      | (492,791)               | (6,750)                | -                      | (499,541)    | 1,361,210                          | (192,029)              | 152,825                | 1,322,006     |
| <b>OTHER INCOME (EXPENSES):</b>                            |                         |                        |                        |              |                                    |                        |                        |               |
| Collection items purchased but not capitalized             | (34,576)                | -                      | -                      | (34,576)     | -                                  | -                      | -                      | -             |
| Net realized and unrealized gains (losses) on investments  | 83,997                  | -                      | -                      | 83,997       | 1,874,566                          | 85,370                 | -                      | 1,959,936     |
| Changes in net assets before transfer of fund restrictions | (443,370)               | (6,750)                | -                      | (450,120)    | 3,235,776                          | (106,659)              | 152,825                | 3,281,942     |
| Transfer of fund restrictions                              | -                       | -                      | -                      | -            | (33,515)                           | 30,091                 | 3,424                  | -             |
| Transfers to the Ohio Historical Society                   | -                       | -                      | -                      | -            | (1,351,137)                        | -                      | -                      | (1,351,137)   |
| Change in net assets                                       | (443,370)               | (6,750)                | -                      | (450,120)    | 1,851,124                          | (76,568)               | 156,249                | 1,930,805     |
| NET ASSETS, beginning of year                              | 1,005,619               | 165,802                | -                      | 1,171,421    | 4,891,803                          | 3,334,576              | 3,722,932              | 11,949,311    |
| NET ASSETS, end of year                                    | \$ 562,249              | \$ 159,052             | \$ -                   | \$ 721,301   | \$ 6,742,927                       | \$ 3,258,008           | \$ 3,879,181           | \$ 13,880,116 |



|  | Combined Total |                        |                        |               | Intercompany Adjustments |              | Consolidated Total |                        |                        |               |
|--|----------------|------------------------|------------------------|---------------|--------------------------|--------------|--------------------|------------------------|------------------------|---------------|
|  | Unrestricted   | Temporarily Restricted | Permanently Restricted | Total         | QHS                      | QHSF         | Unrestricted       | Temporarily Restricted | Permanently Restricted | Total         |
| <b>SUPPORT:</b>  |                |                        |                        |               |                          |              |                    |                        |                        |               |
| State appropriations:                                  |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Operating subsidies                                    | \$ 7,553,377   | \$ -                   | \$ -                   | \$ 7,553,377  | \$ -                     | \$ -         | \$ 7,553,377       | \$ -                   | \$ -                   | \$ 7,553,377  |
| Capital projects                                       | 4,017,194      | -                      | -                      | 4,017,194     | -                        | -            | 4,017,194          | -                      | -                      | 4,017,194     |
| Government contracts and grants                        | 3,179,589      | -                      | -                      | 3,179,589     | -                        | -            | 3,179,589          | -                      | -                      | 3,179,589     |
| Private contracts and grants                           | 19,989         | -                      | -                      | 19,989        | -                        | -            | 19,989             | -                      | -                      | 19,989        |
| Contributions  | 1,680,533      | 566,030                | 152,825                | 2,399,388     | (1,351,137)              | -            | 329,396            | 566,030                | 152,825                | 1,048,251     |
| Contributed materials and services                     | 846,290        | -                      | -                      | 846,290       | -                        | -            | 846,290            | -                      | -                      | 846,290       |
| Other support  | 60,642         | -                      | -                      | 60,642        | -                        | -            | 60,642             | -                      | -                      | 60,642        |
| Total support  | 17,357,614     | 566,030                | 152,825                | 18,076,469    | (1,351,137)              | -            | 16,006,477         | 566,030                | 152,825                | 16,725,332    |
| <b>REVENUE:</b>  |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Admissions and parking                                 | 202,164        | -                      | -                      | 202,164       | -                        | -            | 202,164            | -                      | -                      | 202,164       |
| Memberships and subscriptions                          | 334,448        | -                      | -                      | 334,448       | -                        | -            | 334,448            | -                      | -                      | 334,448       |
| Investment income                                      | 55,837         | 265,128                | -                      | 320,965       | -                        | -            | 55,837             | 265,128                | -                      | 320,965       |
| Sales  | 127,081        | -                      | -                      | 127,081       | -                        | -            | 127,081            | -                      | -                      | 127,081       |
| Special events   | 122,355        | -                      | -                      | 122,355       | -                        | -            | 122,355            | -                      | -                      | 122,355       |
| Program services income                                | 481,936        | -                      | -                      | 481,936       | -                        | -            | 481,936            | -                      | -                      | 481,936       |
| Other revenue  | 181,408        | -                      | -                      | 181,408       | -                        | -            | 181,408            | -                      | -                      | 181,408       |
| Total revenue  | 1,505,229      | 265,128                | -                      | 1,770,357     | -                        | -            | 1,505,229          | 265,128                | -                      | 1,770,357     |
| Net assets released from restrictions                  | 1,029,937      | (1,029,937)            | -                      | -             | -                        | -            | 1,029,937          | (1,029,937)            | -                      | -             |
| Total support and revenue                              | 19,892,780     | (198,779)              | 152,825                | 19,846,826    | (1,351,137)              | -            | 18,541,643         | (198,779)              | 152,825                | 18,495,689    |
| <b>EXPENSES:</b>                                       |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Program expenses:                                      |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Site operations, educational and interpretive programs | 8,670,617      | -                      | -                      | 8,670,617     | -                        | -            | 8,670,617          | -                      | -                      | 8,670,617     |
| State archives and library                             | 921,739        | -                      | -                      | 921,739       | -                        | -            | 921,739            | -                      | -                      | 921,739       |
| Historic preservation office                           | 1,763,046      | -                      | -                      | 1,763,046     | -                        | -            | 1,763,046          | -                      | -                      | 1,763,046     |
| Capital projects                                       | 4,017,194      | -                      | -                      | 4,017,194     | -                        | -            | 4,017,194          | -                      | -                      | 4,017,194     |
| Support services:                                      |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Management and general                                 | 3,091,616      | -                      | -                      | 3,091,616     | -                        | -            | 3,091,616          | -                      | -                      | 3,091,616     |
| Business ventures                                      | 139,705        | -                      | -                      | 139,705       | -                        | -            | 139,705            | -                      | -                      | 139,705       |
| Fundraising  | 420,444        | -                      | -                      | 420,444       | -                        | -            | 420,444            | -                      | -                      | 420,444       |
| Total expenses   | 19,024,361     | -                      | -                      | 19,024,361    | -                        | -            | 19,024,361         | -                      | -                      | 19,024,361    |
| Changes in net assets from operations                  | 868,419        | (198,779)              | 152,825                | 822,465       | (1,351,137)              | -            | (482,718)          | (198,779)              | 152,825                | (528,672)     |
| Collection items purchased but not capitalized         | (34,576)       | -                      | -                      | (34,576)      | -                        | -            | (34,576)           | -                      | -                      | (34,576)      |
| Net realized and unrealized gains (losses)             | 1,958,563      | 85,370                 | -                      | 2,043,933     | -                        | -            | 1,958,563          | 85,370                 | -                      | 2,043,933     |
| Changes in net assets before transfers                 | 2,792,406      | (113,409)              | 152,825                | 2,831,822     | (1,351,137)              | -            | 1,441,269          | (113,409)              | 152,825                | 1,480,685     |
| Transfer of fund restrictions                          | (33,515)       | 30,091                 | 3,424                  | -             | -                        | -            | (33,515)           | 30,091                 | 3,424                  | -             |
| Transfers to the Ohio Historical Society               | (1,351,137)    | -                      | -                      | (1,351,137)   | -                        | 1,351,137    | -                  | -                      | -                      | -             |
| Change in net assets                                   | 1,407,754      | (83,318)               | 156,249                | 1,480,685     | (1,351,137)              | 1,351,137    | 1,407,754          | (83,318)               | 156,249                | 1,480,685     |
| NET ASSETS, beginning of year                          | 5,897,422      | 3,500,378              | 3,722,932              | 13,120,732    | -                        | -            | 5,897,422          | 3,500,378              | 3,722,932              | 13,120,732    |
| NET ASSETS, end of year                                | \$ 7,305,176   | \$ 3,417,060           | \$ 3,879,181           | \$ 14,601,417 | \$ (1,351,137)           | \$ 1,351,137 | \$ 7,305,176       | \$ 3,417,060           | \$ 3,879,181           | \$ 14,601,417 |

See independent auditors' report and notes to the consolidated financial statements.

## OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|  | Ohio Historical Society |                        |                        |              | Ohio Historical Society Foundation |                        |                        |               |
|--|-------------------------|------------------------|------------------------|--------------|------------------------------------|------------------------|------------------------|---------------|
|  | Unrestricted            | Temporarily Restricted | Permanently Restricted | Total        | Unrestricted                       | Temporarily Restricted | Permanently Restricted | Total         |
| <b>SUPPORT.</b>  |                         |                        |                        |              |                                    |                        |                        |               |
| State appropriations:                                      |                         |                        |                        |              |                                    |                        |                        |               |
| Operating subsidies  | \$ 7,275,353            | \$ -                   | \$ -                   | \$ 7,275,353 | \$ -                               | \$ -                   | \$ -                   | \$ -          |
| Capital projects   | 3,058,185               | -                      | -                      | 3,058,185    | -                                  | -                      | -                      | -             |
| Government contracts and grants                            | 3,415,458               | -                      | -                      | 3,415,458    | -                                  | -                      | -                      | -             |
| Private contracts and grants                               | 70,882                  | -                      | -                      | 70,882       | -                                  | -                      | -                      | -             |
| Contributions  | 1,238,057               | -                      | -                      | 1,238,057    | 356,935                            | 548,864                | 76,564                 | 982,363       |
| Contributed materials and services                         | 505,148                 | -                      | -                      | 505,148      | -                                  | -                      | -                      | -             |
| Other support  | 21,464                  | -                      | -                      | 21,464       | 280,632                            | 4,000                  | -                      | 284,632       |
| Total support  | 15,584,547              | -                      | -                      | 15,584,547   | 637,567                            | 552,864                | 76,564                 | 1,266,995     |
| <b>REVENUE:</b>  |                         |                        |                        |              |                                    |                        |                        |               |
| Admissions and parking                                     | 333,208                 | -                      | -                      | 333,208      | -                                  | -                      | -                      | -             |
| Memberships and subscriptions                              | 365,337                 | -                      | -                      | 365,337      | -                                  | -                      | -                      | -             |
| Investment income  | 40,708                  | -                      | -                      | 40,708       | 147,108                            | 135,272                | -                      | 282,380       |
| Sales  | 198,108                 | -                      | -                      | 198,108      | -                                  | -                      | -                      | -             |
| Special events   | 91,148                  | -                      | -                      | 91,148       | -                                  | -                      | -                      | -             |
| Program services income                                    | 457,120                 | -                      | -                      | 457,120      | -                                  | -                      | -                      | -             |
| Other revenue  | 122,135                 | -                      | -                      | 122,135      | -                                  | -                      | -                      | -             |
| Total revenue  | 1,607,764               | -                      | -                      | 1,607,764    | 147,108                            | 135,272                | -                      | 282,380       |
| Net assets released from restrictions                      | 17,175                  | (17,175)               | -                      | -            | 1,367,615                          | (1,172,678)            | (194,937)              | -             |
| Total support and revenue                                  | 17,209,486              | (17,175)               | -                      | 17,192,311   | 2,152,290                          | (484,542)              | (118,373)              | 1,549,375     |
| <b>EXPENSES:</b>   |                         |                        |                        |              |                                    |                        |                        |               |
| Program expenses:  |                         |                        |                        |              |                                    |                        |                        |               |
| Site operations, educational and interpretive programs     | 8,991,982               | -                      | -                      | 8,991,982    | -                                  | -                      | -                      | -             |
| State archives and library                                 | 1,173,521               | -                      | -                      | 1,173,521    | -                                  | -                      | -                      | -             |
| Historic preservation office                               | 1,693,522               | -                      | -                      | 1,693,522    | -                                  | -                      | -                      | -             |
| Capital projects   | 3,058,258               | -                      | -                      | 3,058,258    | -                                  | -                      | -                      | -             |
| Support services:  |                         |                        |                        |              |                                    |                        |                        |               |
| Management and general                                     | 2,356,266               | -                      | -                      | 2,356,266    | 2,048                              | -                      | -                      | 2,048         |
| Business ventures  | 171,417                 | -                      | -                      | 171,417      | -                                  | -                      | -                      | -             |
| Fundraising  | 408,781                 | -                      | -                      | 408,781      | 14,033                             | -                      | -                      | 14,033        |
| Total expenses   | 17,853,747              | -                      | -                      | 17,853,747   | 16,081                             | -                      | -                      | 16,081        |
| Changes in net assets from operations                      | (644,261)               | (17,175)               | -                      | (661,436)    | 2,136,209                          | (484,542)              | (118,373)              | 1,533,294     |
| <b>OTHER INCOME (EXPENSES):</b>                            |                         |                        |                        |              |                                    |                        |                        |               |
| Life insurance proceeds                                    | 250,553                 | -                      | -                      | 250,553      | -                                  | -                      | -                      | -             |
| Collection items purchased but not capitalized             | (27,976)                | -                      | -                      | (27,976)     | -                                  | -                      | -                      | -             |
| Net realized and unrealized gains (losses) on investments  | 102,205                 | -                      | -                      | 102,205      | 559,045                            | 545,368                | -                      | 1,104,413     |
| Changes in net assets before transfer of fund restrictions | (319,479)               | (17,175)               | -                      | (336,654)    | 2,695,254                          | 60,826                 | (118,373)              | 2,637,707     |
| Transfer of fund restrictions                              | -                       | -                      | -                      | -            | (25,137)                           | 25,137                 | -                      | -             |
| Transfers to outside organizations                         | (16,764)                | -                      | -                      | (16,764)     | (515,191)                          | 12,323                 | -                      | (502,868)     |
| Transfers to the Ohio Historical Society Foundation        | (250,553)               | -                      | -                      | (250,553)    | -                                  | -                      | -                      | -             |
| Transfers to the Ohio Historical Society                   | -                       | -                      | -                      | -            | (1,236,747)                        | -                      | -                      | (1,236,747)   |
| Change in net assets                                       | (586,796)               | (17,175)               | -                      | (603,971)    | 918,179                            | 98,286                 | (118,373)              | 898,092       |
| NET ASSETS, beginning of year                              | 1,592,415               | 182,977                | -                      | 1,775,392    | 3,973,624                          | 3,236,290              | 3,841,305              | 11,051,219    |
| NET ASSETS, end of year                                    | \$ 1,005,619            | \$ 165,802             | \$ -                   | \$ 1,171,421 | \$ 4,891,803                       | \$ 3,334,576           | \$ 3,722,932           | \$ 11,949,311 |

|  | Combined Total |                        |                        |               | Intercompany Adjustments |              | Consolidated Total |                        |                        |               |
|--|----------------|------------------------|------------------------|---------------|--------------------------|--------------|--------------------|------------------------|------------------------|---------------|
|  | Unrestricted   | Temporarily Restricted | Permanently Restricted | Total         | OHS                      | OHSF         | Unrestricted       | Temporarily Restricted | Permanently Restricted | Total         |
| <b>SUPPORT:</b>  |                |                        |                        |               |                          |              |                    |                        |                        |               |
| State appropriations:                                  |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Operating subsidies                                    | \$ 7,275,353   | \$ -                   | \$ -                   | \$ 7,275,353  | \$ -                     | \$ -         | \$ 7,275,353       | \$ -                   | \$ -                   | \$ 7,275,353  |
| Capital projects                                       | 3,058,185      | -                      | -                      | 3,058,185     | -                        | -            | 3,058,185          | -                      | -                      | 3,058,185     |
| Government contracts and grants                        | 3,415,458      | -                      | -                      | 3,415,458     | -                        | -            | 3,415,458          | -                      | -                      | 3,415,458     |
| Private contracts and grants                           | 70,882         | -                      | -                      | 70,882        | -                        | -            | 70,882             | -                      | -                      | 70,882        |
| Contributions  | 1,594,992      | 548,864                | 76,564                 | 2,220,420     | (1,236,747)              | -            | 358,245            | 548,864                | 76,564                 | 983,673       |
| Contributed materials and services                     | 505,148        | -                      | -                      | 505,148       | -                        | -            | 505,148            | -                      | -                      | 505,148       |
| Other support  | 302,096        | 4,000                  | -                      | 306,096       | (250,553)                | -            | 51,543             | 4,000                  | -                      | 55,543        |
| Total support  | 16,222,114     | 552,864                | 76,564                 | 16,851,542    | (1,487,300)              | -            | 14,734,814         | 552,864                | 76,564                 | 15,364,242    |
| <b>REVENUE:</b>  |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Admissions and parking                                 | 333,208        | -                      | -                      | 333,208       | -                        | -            | 333,208            | -                      | -                      | 333,208       |
| Memberships and subscriptions                          | 365,337        | -                      | -                      | 365,337       | (6,930)                  | -            | 358,407            | -                      | -                      | 358,407       |
| Investment income                                      | 187,816        | 135,272                | -                      | 323,088       | -                        | -            | 187,816            | 135,272                | -                      | 323,088       |
| Sales  | 198,108        | -                      | -                      | 198,108       | -                        | -            | 198,108            | -                      | -                      | 198,108       |
| Special events   | 91,148         | -                      | -                      | 91,148        | -                        | -            | 91,148             | -                      | -                      | 91,148        |
| Program services income                                | 457,120        | -                      | -                      | 457,120       | -                        | -            | 457,120            | -                      | -                      | 457,120       |
| Other revenue  | 122,135        | -                      | -                      | 122,135       | -                        | -            | 122,135            | -                      | -                      | 122,135       |
| Total revenue  | 1,754,872      | 135,272                | -                      | 1,890,144     | (6,930)                  | -            | 1,747,942          | 135,272                | -                      | 1,883,214     |
| Net assets released from restrictions                  | 1,384,790      | (1,189,853)            | (194,937)              | -             | -                        | -            | 1,384,790          | (1,189,853)            | (194,937)              | -             |
| Total support and revenue                              | 19,361,776     | (501,717)              | (118,373)              | 18,741,686    | (1,494,230)              | -            | 17,867,546         | (501,717)              | (118,373)              | 17,247,456    |
| <b>EXPENSES:</b>                                       |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Program expenses:                                      |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Site operations, educational and interpretive programs | 8,991,982      | -                      | -                      | 8,991,982     | -                        | -            | 8,991,982          | -                      | -                      | 8,991,982     |
| State archives and library                             | 1,173,521      | -                      | -                      | 1,173,521     | -                        | -            | 1,173,521          | -                      | -                      | 1,173,521     |
| Historic preservation office                           | 1,693,522      | -                      | -                      | 1,693,522     | -                        | -            | 1,693,522          | -                      | -                      | 1,693,522     |
| Capital projects                                       | 3,058,258      | -                      | -                      | 3,058,258     | -                        | -            | 3,058,258          | -                      | -                      | 3,058,258     |
| Support services:                                      |                |                        |                        |               |                          |              |                    |                        |                        |               |
| Management and general                                 | 2,358,314      | -                      | -                      | 2,358,314     | -                        | -            | 2,358,314          | -                      | -                      | 2,358,314     |
| Business ventures                                      | 171,417        | -                      | -                      | 171,417       | -                        | -            | 171,417            | -                      | -                      | 171,417       |
| Fundraising  | 422,814        | -                      | -                      | 422,814       | -                        | (6,930)      | 415,884            | -                      | -                      | 415,884       |
| Total expenses   | 17,869,828     | -                      | -                      | 17,869,828    | -                        | (6,930)      | 17,862,898         | -                      | -                      | 17,862,898    |
| Changes in net assets from operations                  | 1,491,948      | (501,717)              | (118,373)              | 871,858       | (1,494,230)              | 6,930        | 4,648              | (501,717)              | (118,373)              | (615,442)     |
| Life insurance proceeds                                | 250,553        | -                      | -                      | 250,553       | -                        | -            | 250,553            | -                      | -                      | 250,553       |
| Collection items purchased but not capitalized         | (27,976)       | -                      | -                      | (27,976)      | -                        | -            | (27,976)           | -                      | -                      | (27,976)      |
| Net realized and unrealized gains (losses)             | 661,250        | 545,368                | -                      | 1,206,618     | -                        | -            | 661,250            | 545,368                | -                      | 1,206,618     |
| Changes in net assets before transfers                 | 2,375,775      | 43,651                 | (118,373)              | 2,301,053     | (1,494,230)              | 6,930        | 888,475            | 43,651                 | (118,373)              | 813,753       |
| Transfer of fund restrictions                          | (25,137)       | 25,137                 | -                      | -             | -                        | -            | (25,137)           | 25,137                 | -                      | -             |
| Transfers to outside organizations                     | (531,955)      | 12,323                 | -                      | (519,632)     | -                        | -            | (531,955)          | 12,323                 | -                      | (519,632)     |
| Transfers to the Ohio Historical Society Foundation    | (250,553)      | -                      | -                      | (250,553)     | -                        | 250,553      | -                  | -                      | -                      | -             |
| Transfers to the Ohio Historical Society               | (1,236,747)    | -                      | -                      | (1,236,747)   | -                        | 1,236,747    | -                  | -                      | -                      | -             |
| Change in net assets                                   | 331,383        | 81,111                 | (118,373)              | 294,121       | (1,494,230)              | 1,494,230    | 331,383            | 81,111                 | (118,373)              | 294,121       |
| NET ASSETS, beginning of year                          | 5,566,039      | 3,419,267              | 3,841,305              | 12,826,611    | -                        | -            | 5,566,039          | 3,419,267              | 3,841,305              | 12,826,611    |
| NET ASSETS, end of year                                | \$ 5,897,422   | \$ 3,500,378           | \$ 3,722,932           | \$ 13,120,732 | \$ (1,494,230)           | \$ 1,494,230 | \$ 5,897,422       | \$ 3,500,378           | \$ 3,722,932           | \$ 13,120,732 |

See independent auditors' report and notes to the consolidated financial statements.

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# Dave Yost • Auditor of State

**OHIO HISTORICAL SOCIETY AND AFFILIATE**

**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 13, 2011**