

**OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION**

**Audit Report**

**For the Years Ended June 30, 2017 and 2016**







# Dave Yost • Auditor of State

Board of Trustees  
Ohio Historical Society and Affiliate dba Ohio History Connection  
800 E. 17th Avenue  
Columbus, Ohio 43211

We have reviewed the *Independent Auditor's Report* of the Ohio Historical Society and Affiliate dba Ohio History Connection, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2016 through June 30, 2017. 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 dba Ohio History Connection is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

December 7, 2017

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**OHIO HISTORICAL SOCIETY AND AFFILIATE**  
**dba OHIO HISTORY CONNECTION**  
**AUDIT REPORT**  
For the years ended June 30, 2017 and 2016

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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## **INDEPENDENT ACCOUNTANT'S REPORT**

To the Board of Trustees  
Ohio Historical Society and Affiliate  
dba Ohio History Connection  
800 E. 17<sup>th</sup> Avenue  
Columbus, Ohio 43211

### ***Report on the Financial Statements***

We have audited the accompanying combined financial statements of the Ohio Historical Society and Affiliate (doing business as "Ohio History Connection" and collectively referred to as the "Organization") which comprise the combined statements of financial position as of June 30, 2017 and 2016, and the related combined statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the combined 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Supplementary and Other Information*


Our audit was conducted for the purpose of forming an opinion on the Organization's combined financial statements as a whole.

The Schedule of Federal Awards Expenditures (Schedule) presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The combining statements of financial position, statements of activities and changes in net assets (Statements) are also presented for additional analysis. The Statements and Schedule are not required parts of the financial statements.

The Statements and Schedule are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the combined financial statements. We subjected these Statements and Schedule to the auditing procedures we applied to the combined financial statements. We also applied certain additional procedures, including comparing and reconciling the Statements and Schedule directly to the underlying accounting and other records used to prepare the combined financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these Statements and Schedule are fairly stated in all material respects in relation to the combined financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



**Charles E. Harris & Associates, Inc.**  
October 11, 2017



OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECCTION

COMBINED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2017 AND 2016

	June 30, 2017				June 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>								
<b>CURRENT ASSETS:</b>								
Cash and cash equivalents	\$ 1,420,333	\$ 213,758	\$ 64,772	\$ 1,698,863	\$ 624,494	\$ 331,954	\$ 44,194	\$ 1,000,642
Receivables:								
Grants	195,997	-	-	195,997	93,970	-	-	93,970
Contracts	1,242,515	-	-	1,242,515	945,777	-	-	945,777
Current portion of pledges, net	-	983,322	-	983,322	-	698,387	-	698,387
Other	1,326,510	478,064	-	1,804,574	212,916	-	-	212,916
Inventories, net	282,851	-	-	282,851	289,211	-	-	289,211
Prepaid expenses and other current assets	43,438	34,274	-	77,712	53,821	34,274	-	88,095
<b>Total current assets</b>	<b>4,511,644</b>	<b>1,709,418</b>	<b>64,772</b>	<b>6,285,834</b>	<b>2,220,189</b>	<b>1,064,615</b>	<b>44,194</b>	<b>3,328,998</b>
PROPERTY AND EQUIPMENT, net	1,583,250	-	-	1,583,250	1,291,906	-	-	1,291,906
LONG-TERM INVESTMENTS	1,879,151	6,567,391	6,083,347	14,529,889	5,213,111	6,280,624	4,461,213	15,954,948
<b>Total assets</b>	<b>\$ 7,974,045</b>	<b>\$ 8,276,809</b>	<b>\$ 6,148,119</b>	<b>\$ 22,398,973</b>	<b>\$ 8,725,206</b>	<b>\$ 7,345,239</b>	<b>\$ 4,505,407</b>	<b>\$ 20,575,852</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES:</b>								
Accounts payable	\$ 3,268,424	\$ -	\$ -	\$ 3,268,424	\$ 1,053,375	\$ -	\$ -	\$ 1,053,375
Line of Credit	-	-	-	-	500,000	-	-	500,000
Accrued salaries, wages and other liabilities	1,196,258	-	-	1,196,258	1,034,601	-	-	1,034,601
Accrued leave liability	805,040	-	-	805,040	770,425	-	-	770,425
Deferred subscription and other revenue	515,955	-	-	515,955	518,100	-	-	518,100
<b>Total current liabilities</b>	<b>5,785,677</b>	<b>-</b>	<b>-</b>	<b>5,785,677</b>	<b>3,876,501</b>	<b>-</b>	<b>-</b>	<b>3,876,501</b>
<b>NET ASSETS:</b>								
Operations	818,804	4,840,346	-	5,659,150	2,546,046	4,546,890	-	7,092,936
Ohio Bicentennial Commission	-	130,868	-	130,868	-	135,368	-	135,368
Endowment fund balance	289,015	3,305,595	6,148,119	9,742,729	143,400	2,662,981	4,505,407	7,311,788
Quasi-Endowment	1,080,549	-	-	1,080,549	2,159,259	-	-	2,159,259
<b>Total net assets</b>	<b>2,188,368</b>	<b>8,276,809</b>	<b>6,148,119</b>	<b>16,613,296</b>	<b>4,848,705</b>	<b>7,345,239</b>	<b>4,505,407</b>	<b>16,699,351</b>
<b>Total Liabilities and net assets</b>	<b>\$ 7,974,045</b>	<b>\$ 8,276,809</b>	<b>\$ 6,148,119</b>	<b>\$ 22,398,973</b>	<b>\$ 8,725,206</b>	<b>\$ 7,345,239</b>	<b>\$ 4,505,407</b>	<b>\$ 20,575,852</b>

The accompanying notes are an integral part of these financial statements

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:				
State appropriations:				
Operating Subsidies	\$ 11,129,228	\$ -	\$ -	\$ 11,129,228
Capital Projects	4,280,231	-	-	4,280,231
Government contracts and grants	2,647,830	-	-	2,647,830
Private contracts and grants	1,227,194	-	-	1,227,194
Contributions	315,311	1,449,889	1,363,564	3,128,764
Contributed materials and services	1,899,131	-	-	1,899,131
Other support	364	-	-	364
<b>TOTAL SUPPORT</b>	<b>21,499,289</b>	<b>1,449,889</b>	<b>1,363,564</b>	<b>24,312,742</b>
REVENUE				
Admissions and parking	281,198	-	-	281,198
Memberships and subscriptions	584,325	-	-	584,325
Investment income	119,408	41,905	158,070	319,383
Sales and facilities use	232,369	-	-	232,369
Program services income	897,117	-	-	897,117
Special events income	146,864	-	-	146,864
Other revenue	197,516	-	-	197,516
<b>TOTAL REVENUE</b>	<b>2,458,797</b>	<b>41,905</b>	<b>158,070</b>	<b>2,658,772</b>
Net assets released from restrictions	898,317	(898,317)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>24,856,403</b>	<b>593,477</b>	<b>1,521,634</b>	<b>26,971,514</b>
Expenses:				
Program Expenses:				
Site Operations, Educational and Interpretative Programs,	12,026,267	4,500	-	12,030,767
Contributed Materials and services	1,899,131	-	-	1,899,131
State Archives & Library Services	1,345,643	-	-	1,345,643
Historic Preservation Office	3,664,985	-	-	3,664,985
Capital Projects	4,300,819	-	-	4,300,819
Support Services:				
Management and General	3,883,749	3,888	12,296	3,899,933
Fundraising	692,233	-	-	692,233
<b>Total Expenses</b>	<b>27,812,827</b>	<b>8,388</b>	<b>12,296</b>	<b>27,833,511</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>(2,956,424)</b>	<b>585,089</b>	<b>1,509,338</b>	<b>(861,997)</b>
OTHER INCOME (EXPENSES)				
Collection items purchased but not capitalized	(160,314)	-	-	(160,314)
Net realized and unrealized gains and (losses) on investments	456,401	346,481	133,374	936,256
<b>Total other income (expenses)</b>	<b>296,087</b>	<b>346,481</b>	<b>133,374</b>	<b>775,942</b>
Changes net assets	(2,660,337)	931,570	1,642,712	(86,055)
NET ASSETS, beginning of year	4,848,705	7,345,239	4,505,407	16,699,351
<b>NET ASSETS, end of year</b>	<b>\$ 2,188,368</b>	<b>\$ 8,276,809</b>	<b>\$ 6,148,119</b>	<b>\$ 16,613,296</b>

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

OHIO HISTORICAL SOCIETY AND AFFILIATE  
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COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:				
State appropriations:				
Operating Subsidies	\$ 11,435,478	\$ -	\$ -	\$ 11,435,478
Capital Projects	3,597,330	-	-	3,597,330
Government contracts and grants	2,166,996	-	-	2,166,996
Private contracts and grants	170,166	-	-	170,166
Contributions	331,664	1,251,678	23,125	1,606,467
Contributed materials and services	1,844,927	-	-	1,844,927
Other support	178	-	-	178
<b>TOTAL SUPPORT</b>	<b>19,546,739</b>	<b>1,251,678</b>	<b>23,125</b>	<b>20,821,542</b>
REVENUE				
Admissions and parking	279,569	-	-	279,569
Memberships and subscriptions	565,997	-	-	565,997
Investment income	123,509	61,743	190,593	375,845
Sales and facilities use	197,131	-	-	197,131
Program services income	1,075,125	-	-	1,075,125
Special events income	138,047	-	-	138,047
Other revenue	316,810	-	-	316,810
<b>TOTAL REVENUE</b>	<b>2,696,188</b>	<b>61,743</b>	<b>190,593</b>	<b>2,948,524</b>
Net assets released from restrictions	1,478,793	(1,478,793)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>23,721,720</b>	<b>(165,372)</b>	<b>213,718</b>	<b>23,770,066</b>
Expenses:				
Program Expenses:				
Site Operations, Educational and Interpretative Programs	11,265,224	-	-	11,265,224
Contributed Materials and services	1,844,927	-	-	1,844,927
State Archives & Library Services	1,157,752	-	-	1,157,752
Historic Preservation Office	2,335,810	-	-	2,335,810
Capital Projects	3,552,403	-	-	3,552,403
Support Services:				
Management and General	3,361,937	18,725	11,918	3,392,580
Fundraising	507,788	-	-	507,788
<b>Total Expenses</b>	<b>24,025,841</b>	<b>18,725</b>	<b>11,918</b>	<b>24,056,484</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>(304,121)</b>	<b>(184,097)</b>	<b>201,800</b>	<b>(286,418)</b>
OTHER INCOME (EXPENSES)				
Collection items purchased but not capitalized	(549,600)	-	-	(549,600)
Net realized and unrealized gains and (losses) on investments	69,746	25,956	56,993	152,695
<b>Total other income (expenses)</b>	<b>(479,854)</b>	<b>25,956</b>	<b>56,993</b>	<b>(396,905)</b>
<b>Changes in net assets</b>	<b>(783,975)</b>	<b>(158,141)</b>	<b>258,793</b>	<b>(683,323)</b>
NET ASSETS, beginning of year	5,632,680	7,503,380	4,246,614	17,382,674
NET ASSETS, end of year	<u>\$ 4,848,705</u>	<u>\$ 7,345,239</u>	<u>\$ 4,505,407</u>	<u>\$ 16,699,351</u>

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

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (86,055)	\$ (683,323)
Adjustments in net assets to net cash used in operating activities:		
Depreciation expense	330,189	156,271
Net realized and unrealized (gains) losses on investments	936,256	152,695
(Increase) decrease in operating assets:		
Receivables	(2,275,358)	104,682
Inventories	6,360	(29,733)
Prepaid expenses and other current assets	10,383	(727)
Increase (decrease) in operating liabilities:		
Accounts payable	2,215,049	(430,265)
Accrued salaries, wages and other liabilities	161,657	(19,289)
Accrued leave liability	34,615	113,956
Deferred subscription and other revenue	(2,145)	(11,617)
 Total adjustments	 1,417,006	 35,973
 Net cash used in operating activities	 1,330,951	 (647,350)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments/proceeds/purchases of investments/dividends, net	31,329	(375,845)
Payments for the purchase of property and equipment	(192,155)	(358,729)
Proceeds from the sale of property and equipment	28,096	
 Net cash provided by investing activities	 (132,730)	 (734,574)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Line of credit, net	(500,000)	500,000
 Net cash provided by investing activities	 (500,000)	 500,000
 Net cash increase (decrease) in cash and cash equivalents	 698,221	 (881,924)
 CASH AND CASH EQUIVALENTS, beginning of year	 1,000,642	 1,882,566
 CASH AND CASH EQUIVALENTS, end of year	 \$ 1,698,863	 \$ 1,000,642

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

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Ohio Historical Society (doing business as “Ohio History Connection” and referred to as the “Society”) was incorporated in 1885 as a private nonprofit organization. The Society conduct programs that identify, authenticate, collect, preserve, educate and interpret records, objects and places related to 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 o 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 combined financial statements.

Principles of Combination

The accompanying combined 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 combination.

Basis of Accounting

The accompanying combined 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 is 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 combined 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.

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization's revenue recognition policies are as follows:

Grant Subsidies

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

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

	2017	2016
Volunteer Hours	96,266	91,288
Estimated Value	\$1,899,131	\$1,844,927

The Organization received other in-kind contributions of services that are not reflected in the combined financial statements since they do not meet the recognition criteria under generally accepted accounting principles.

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Amounts are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as income when received. As of June 30, 2017 and 2016, there was allowance for doubtful accounts of \$14,981 and \$14,981, 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 \$17,497 and \$17,497 as of June 30, 2017 and 2016, respectively.

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

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Historic Collections, Exhibits and Properties

Purchased and contributed historical collections, exhibits, and properties are not included in the combined statements of financial position. No amounts are included in the combined statements of activities and changes in net assets for these contributed items 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.

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 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: <ul style="list-style-type: none"><li>• Quoted prices for similar assets or liabilities in active markets;</li><li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• Inputs other than quoted prices that are observable for the asset or liability;</li><li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> |

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.



OHIO HISTORICAL SOCIETY AND AFFILIATE  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2017 and 2016.

*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, 2017 and 2016.

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.

Temporarily Restricted – Net assets whose use by the Organization is limited by the donor-imposed stipulation 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 combined 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,

OHIO HISTORICAL SOCIETY AND AFFILIATE  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 as 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 \$331,887 and \$315,033 for the years ended June 30, 2017 and 2016, 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.

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, 2017 and 2016.

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, 2010 and prior.

OHIO HISTORICAL SOCIETY AND AFFILIATE  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification

Certain expenses on the statement of activities for the year ended June 30, 2016, have been reclassified with no effect on changes in net assets, to be consistent with the classifications adopted for the year ended June 30, 2017.

Subsequent Events

The Organization has evaluated subsequent events through October 11, 2017, 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 equivalents balances in financial institutions located throughout Ohio. Deposits are insured by the federal Deposit Insurance Corporation (“FDIC”) up to a coverage limit of \$250,000. As a result, the Organization may have balances that exceed the insured limit.

Market Risk – Investments

The accompanying combined 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 reasonable 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 Operating Subsidies

State operating subsidies represented 44% and 52% of the Organization’s total support and revenue for the years ended June 30, 2017 and 2016, respectively. Future reductions in these subsidy allocations may have a material impact on the Organization’s operations.

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 3: CASH AND CASH EQUIVALENTS

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

	<u>2017</u>	<u>2016</u>
Cash	\$ 1,095,474	\$ 769,936
Certificate of Deposit	206,357	133,274
Money market funds	<u>397,032</u>	<u>97,432</u>
Total	<u>\$ 1,698,863</u>	<u>\$ 1,000,642</u>

NOTE 4: CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of June 30:

<u>Contributions Receivable</u>	<u>2017</u>	<u>2016</u>
From individuals	\$ 273,801	\$ 257,500
From corporations	<u>774,407</u>	<u>491,536</u>
Gross contributions receivable	1,048,218	749,036
Less: unamortized discount	(49,915)	(35,668)
Less: allowance for doubtful accounts	<u>(14,981)</u>	<u>(14,981)</u>
Net contributions receivable	<u>\$ 983,322</u>	<u>\$ 698,387</u>
Amounts due in:		
Less than one year	\$ 703,537	\$ 426,186
One to five years	344,681	322,850
Less: unamortized discount	(49,915)	(35,668)
Less: allowance for doubtful accounts	<u>(14,981)</u>	<u>(14,981)</u>
Net contributions receivable	<u>\$ 983,322</u>	<u>\$ 698,387</u>

NOTE 5: PROPERTY AND EQUIPMENT

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

	<u>2017</u>	<u>2016</u>
Machinery and equipment	\$ 1,742,401	\$ 1,754,976
Land	465,866	465,866
Construction in Process	446,690	-
Vehicles	386,732	566,322
Buildings	<u>108,647</u>	<u>68,834</u>
Property and equipment, at cost	3,150,336	2,855,998
Less accumulated depreciation	<u>(1,567,086)</u>	<u>(1,564,092)</u>
Property and equipment, net	<u>\$ 1,583,250</u>	<u>\$ 1,291,906</u>

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 6: HISTORIC COLLECTIONS, EXHIBITS, AND PROPERTIES

The Organization does not capitalize its artifacts, collections and historical properties. The Organization's historical collections consist of approximately 1,900,000 artifacts and properties 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.

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 the years ended June 30, 2017 and 2016.

NOTE 7: LONG-TERM INVESTMENTS

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

	2017	2016
Certificates of deposit	\$ 167,161	\$ 348,269
Mutual Funds	14,362,728	15,606,679
Total	\$ 14,529,889	\$ 15,954,948

NOTE 8: NET ASSETS

As of June 30, 2017 and 2016, temporarily restricted net assets are available for future year operations. Amounts are as follows:

Temporarily Restricted Net Assets	2017	2016
Ohio Bicentennial Commission	\$ 130,868	\$ 135,368
Board designated	4,581,595	4,546,890
Endowment fund balance	3,305,595	2,662,981
Total	\$ 8,018,058	\$ 7,345,239

Net assets were released from donor restrictions during years ended June 30, 2017 and 2016 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	2017	2016
For specific sites and purposes	\$ 898,317	\$ 1,478,793

OHIO HISTORICAL SOCIETY AND AFFILIATE  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 8: NET ASSETS (CONTINUED)

Endowment Fund activity of the following for the year ended June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, Beginning of the year	\$ 143,400	\$ 2,662,981	\$ 4,505,407	\$ 7,311,788
Investment Return	145,615	798,583	291,444	1,235,642
Contributions and other Additions(Deletions)	<u>-</u>	<u>(155,969)</u>	<u>1,351,268</u>	<u>1,195,299</u>
Endowment net Assets end of year	<u>\$ 289,015</u>	<u>\$ 3,305,595</u>	<u>\$ 6,148,119</u>	<u>\$ 9,742,729</u>

Endowment Fund activity of the following for the year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, Beginning of the year	\$ 245,437	\$ 2,533,630	\$ 4,246,614	\$ 7,025,681
Investment Return	(102,037)	137,502	235,668	271,133
Contributions and other Additions	<u>-</u>	<u>(8,151)</u>	<u>23,125</u>	<u>14,974</u>
Endowment net Assets end of year	<u>\$ 143,400</u>	<u>\$ 2,662,981</u>	<u>\$ 4,505,407</u>	<u>\$ 7,311,788</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.

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 9: STATE CAPITAL APPROPRIATIONS

As of June 30, 2017, the Organization still has available for future use bond money appropriated to the Ohio Facilities Construction Commission from the state for various capital projects in the amount of \$13,900,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

NOTE 10: LINE OF CREDIT

The Organization has entered into a line of credit agreement with a bank that allows the Organization to borrow up to \$500,000. The agreement expires on March 31, 2018. The line of credit is secured by the financial assets of the Organization and requires monthly interest payments calculated at the bank's prime rate plus 0.75%. There was no balance on this line of credit as of June 30, 2017. There was a \$500,000 balance as of June 30, 2016.

NOTE 11: Ohio Public Employees Retirement System

Plan Description - Board employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Board employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

OHIO HISTORICAL SOCIETY AND AFFILIATE  
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NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 11: PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State And Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0%
Employee	10.0%
2016 Actual Contribution Rates	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	<u>2.0%</u>
Total Employer	<u>14.0%</u>



OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
As of and for the Years Ended June 30, 2017 and 2016

NOTE 11: PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Organization's contributions to OPERS for the years ending June 30, 2017 and 2016, were \$1,473,104 and \$1,315,122, respectively.

NOTE 12: 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, 2017 will not have a material adverse effect on the Organization's financial position and results of activities.

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**OHIO HISTORY SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/ <i>Pass Through Grantor/</i> Program Title	Federal CFDA Number	Sub Recipients	Expenditures
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>			
National Historical Publications and Records Commission			
Ohio Historical Records Advisory Board Planning	89.003	\$ -	\$ 10,769
Ohio Historical Records Advisory Board Planning	89.003	-	21,452
Total National Archives and Records Administration		-	32,221
<b>STATE LIBRARY BOARD</b>			
NAAMCC IMLS	45.309	-	36,426
LSTA Conservation	45.310	-	2,292
LSTA Czech NP Dig Proj	45.310	-	430
Total State Library Board		-	2,722
<b>NATIONAL AND COMMUNITY SERVICE</b>			
AmeriCorps "The Ohio History Services Corps	94.006	-	23,205
AmeriCorps "The Ohio History Services Corps	94.006	-	136,866
Total National and Community Service		-	160,071
<b>DEPARTMENT OF THE INTERIOR</b>			
National Park Service			
National Maritime Heritage	15.925	-	244
Hurricane Sandy HP Recovery Grants	15.957	-	129,220
Historic Preservation Fund Grants-in-Aid	15.904	88,663	1,066,553
Total U.S. Department of Interior		88,663	1,196,017
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>			
Ohio LGBT Scanning Project	45.149	-	10,661
National Digital Newspaper Program	45.149	-	47,577
HCRR WWI Grant	45.149	-	3,284
Subtotal		-	61,522
Hopewell in Ohio First Ohioans	45.163	-	27,470
Landmarks Prohibition	45.163	-	151,300
Subtotal		-	178,770
Making Archaeology Public	45.129	-	3,854
Digital Humanities Start-Up Grant	45.169	-	60,897
Total National Endowment for the Humanities		-	305,043
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Administration of Native Americans (ANA) Grant Eastern Shawnee	93.612	-	17,782
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 88,663</b>	<b>\$ 1,750,282</b>

The accompanying notes to this schedule are an integral part of this schedule

**OHIO HISTORICAL SOCIETY AND AFFILIATE dba  
OHIO HISTORY CONNECTION**

*Notes to the Schedule of Federal Awards Expenditures  
2 CFR 200.510(b)(6)  
For the Year Ended June 30, 2017*

**Note A – Basis of Presentation**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of the Ohio Historical Society and Affiliate dba the Ohio History Connection (the Organization) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note C – Matching Requirements**

The Federal program requires the Organization to contribute non-Federal funds (matching funds) to support the Federally-funded program. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**Note D – Pass-Through to Subrecipients**

The schedule of expenditures of federal awards includes awards that were passed through to subrecipients. Total funds passed through to subrecipients for each grant are as follows:

<u>Program Title and CFDA #</u>	<u>Amount</u>
Historic Preservation Fund Grants-in-Aid (CFDA # 15.904)	\$88,663

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614 W Superior Ave Ste 1242  
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Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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INDEPENDENT ACCOUNTANT’S 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*

To the Board of Trustees  
Ohio Historical Society and Affiliate  
dba Ohio History Connection  
800 E. 17<sup>th</sup> Avenue  
Columbus, Ohio 43211

We have audited, 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, the combined financial statements of the Ohio Historical Society and Affiliate (doing business as “Ohio History Connection” and collectively referred to as the “Organization”) which comprise the combined statement of financial position as of June 30, 2017 and the related combined statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated October 11, 2017.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
October 11, 2017

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE FOR THE  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees  
Ohio Historical Society and Affiliate  
dba Ohio History Connection  
800 E. 17<sup>th</sup> Avenue  
Columbus, Ohio 43211

***Report on Compliance for the Major Federal Program***

We have audited the Ohio Historical Society and Affiliate's (doing business as "Ohio History Connection" and collectively referred to as the "Organization") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2017. The Organization's major federal program is identified in the *Summary of Auditor's Results* in the accompanying Schedule of Findings.

***Management's Responsibility***

The Organization's management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Ohio Historical Society and Affiliate (dba Ohio History Connection) complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

***Report on Internal Control Over Compliance***

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***

October 11, 2017



**OHIO HISTORICAL SOCIETY AND AFFILIATE**  
**dba OHIO HISTORY CONNECTION**  
**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**June 30, 2017**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under 2 CFR § 200.516(a)</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	15.904 - History Preservation Funds Grant-In-Aid
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A:>\$750,000 Type B: All Others
(d)(1)(ix)	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

COMBINING STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2017

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>ASSETS</u>								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 478,704	\$ 130,868	\$ -	\$ 609,572	\$ 941,629	\$ 82,890	\$ 64,772	\$ 1,089,291
Receivables:								
Grants	195,997	-	-	195,997	-	-	-	-
Contracts	1,242,515	-	-	1,242,515	-	-	-	-
Current portion of pledges, net	-	-	-	-	-	983,322	-	983,322
Other	763,936	-	-	763,936	3,588,237	478,064	-	4,066,301
Inventories, net	282,851	-	-	282,851	-	-	-	-
Prepaid expenses and other current assets	43,438	-	-	43,438	-	34,274	-	34,274
Total current assets	<u>3,007,441</u>	<u>130,868</u>	<u>-</u>	<u>3,138,309</u>	<u>4,529,866</u>	<u>1,578,550</u>	<u>64,772</u>	<u>6,173,188</u>
PROPERTY AND EQUIPMENT, net	1,467,250	-	-	1,467,250	116,000	-	-	116,000
LONG-TERM INVESTMENTS	64,629	-	-	64,629	1,814,522	6,567,391	6,083,347	14,465,260
Total assets	<u>\$ 4,539,320</u>	<u>\$ 130,868</u>	<u>\$ -</u>	<u>\$ 4,670,188</u>	<u>\$ 6,460,388</u>	<u>\$ 8,145,941</u>	<u>\$ 6,148,119</u>	<u>\$ 20,754,448</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 6,294,087	\$ -	\$ -	\$ 6,294,087	\$ -	\$ -	\$ -	\$ -
Accrued salaries, wages and other liabilities	1,196,258	-	-	1,196,258	-	-	-	-
Accrued leave liability	805,040	-	-	805,040	-	-	-	-
Deferred subscription and other revenue	515,955	-	-	515,955	-	-	-	-
Total current liabilities	<u>8,811,340</u>	<u>-</u>	<u>-</u>	<u>8,811,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS:								
Operations	(4,272,020)	-	-	(4,272,020)	5,090,824	4,840,346	-	9,931,170
Ohio Bicentennial Commission	-	130,868	-	130,868	-	-	-	-
Endowment fund balance	-	-	-	-	289,015	3,305,595	6,148,119	9,742,729
Quasi-Endowment	-	-	-	-	1,080,549	-	-	1,080,549
Total net assets	<u>(4,272,020)</u>	<u>130,868</u>	<u>-</u>	<u>(4,141,152)</u>	<u>6,460,388</u>	<u>8,145,941</u>	<u>6,148,119</u>	<u>20,754,448</u>
Total Liabilities and net assets	<u>\$ 4,539,320</u>	<u>\$ 130,868</u>	<u>\$ -</u>	<u>\$ 4,670,188</u>	<u>\$ 6,460,388</u>	<u>\$ 8,145,941</u>	<u>\$ 6,148,119</u>	<u>\$ 20,754,448</u>

	Total			Intercompany Adjustments		Combined 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	\$ 1,420,333	\$ 213,758	\$ 64,772	\$ 1,698,863	\$ -	\$ -	\$ 1,420,333	\$ 213,758	\$ 64,772	\$ 1,698,863
Receivables:										
Grants	195,997	-	-	195,997	-	-	195,997	-	-	195,997
Contracts	1,242,515	-	-	1,242,515	-	-	1,242,515	-	-	1,242,515
Current portion of pledges, net	-	983,322	-	983,322	-	-	-	983,322	-	983,322
Other	4,352,173	478,064	-	4,830,237	-	(3,025,663)	1,326,510	478,064	-	1,804,574
Inventories, net	282,851	-	-	282,851	-	-	282,851	-	-	282,851
Prepaid expenses and other current assets	43,438	34,274	-	77,712	-	-	43,438	34,274	-	77,712
Total current assets	7,537,307	1,709,418	64,772	9,311,497	-	(3,025,663)	4,511,644	1,709,418	64,772	6,285,834
PROPERTY AND EQUIPMENT, net	1,583,250	-	-	1,583,250	-	-	1,583,250	-	-	1,583,250
LONG-TERM INVESTMENTS	1,879,151	6,567,391	6,083,347	14,529,889	-	-	1,879,151	6,567,391	6,083,347	14,529,889
Total assets	<u>\$ 10,999,708</u>	<u>\$ 8,276,809</u>	<u>\$ 6,148,119</u>	<u>\$ 25,424,636</u>	<u>\$ -</u>	<u>\$(3,025,663)</u>	<u>\$ 7,974,045</u>	<u>\$ 8,276,809</u>	<u>\$ 6,148,119</u>	<u>\$ 22,398,973</u>
<b>LIABILITIES AND NET ASSETS</b>										
<b>CURRENT LIABILITIES:</b>										
Accounts payable	\$ 6,294,087	\$ -	\$ -	\$ 6,294,087	\$(3,025,663)	\$ -	\$ 3,268,424	\$ -	\$ -	\$ 3,268,424
Accrued salaries, wages and other liabilities	1,196,258	-	-	1,196,258	-	-	1,196,258	-	-	1,196,258
Accrued leave liability	805,040	-	-	805,040	-	-	805,040	-	-	805,040
Deferred subscription and other revenue	515,955	-	-	515,955	-	-	515,955	-	-	515,955
Total current liabilities	8,811,340	-	-	8,811,340	(3,025,663)	-	5,785,677	-	-	5,785,677
NET ASSETS:										
Operations	818,804	4,840,346	-	5,659,150	-	-	818,804	4,840,346	-	5,659,150
Ohio Bicentennial Commission	-	130,868	-	130,868	-	-	-	130,868	-	130,868
Endowment fund balance	289,015	3,305,595	6,148,119	9,742,729	-	-	289,015	3,305,595	6,148,119	9,742,729
Quasi-Endowment	1,080,549	-	-	1,080,549	-	-	1,080,549	-	-	1,080,549
Total net assets	2,188,368	8,276,809	6,148,119	16,613,296	-	-	2,188,368	8,276,809	6,148,119	16,613,296
Total Liabilities and net assets	<u>\$ 10,999,708</u>	<u>\$ 8,276,809</u>	<u>\$ 6,148,119</u>	<u>\$ 25,424,636</u>	<u>\$(3,025,663)</u>	<u>\$ -</u>	<u>\$ 7,974,045</u>	<u>\$ 8,276,809</u>	<u>\$ 6,148,119</u>	<u>\$ 22,398,973</u>

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

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

COMBINING STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2016

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>ASSETS</u>								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 282,015	\$ 135,368	\$ -	\$ 417,383	\$ 342,479	\$ 196,586	\$ 44,194	\$ 583,259
Receivables:								
Grants	93,970	-	-	93,970	-	-	-	-
Contracts	1,057,968	-	-	1,057,968	637,810	-	-	637,810
Current portion of pledges, net	-	-	-	-	-	698,387	-	698,387
Other	212,916	-	-	212,916	700,390	-	-	700,390
Inventories, net	289,211	-	-	289,211	-	-	-	-
Prepaid expenses and other current assets	53,821	-	-	53,821	-	34,274	-	34,274
Total current assets	<u>1,989,901</u>	<u>135,368</u>	<u>-</u>	<u>2,125,269</u>	<u>1,680,679</u>	<u>929,247</u>	<u>44,194</u>	<u>2,654,120</u>
PROPERTY AND EQUIPMENT, net	1,175,906	-	-	1,175,906	116,000	-	-	116,000
LONG-TERM INVESTMENTS	63,844	-	-	63,844	5,149,267	6,280,624	4,461,213	15,891,104
Total assets	<u>\$ 3,229,651</u>	<u>\$ 135,368</u>	<u>\$ -</u>	<u>\$ 3,365,019</u>	<u>\$ 6,945,946</u>	<u>\$ 7,209,871</u>	<u>\$ 4,505,407</u>	<u>\$ 18,661,224</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 1,753,765	\$ -	\$ -	\$ 1,753,765	\$ -	\$ -	\$ -	\$ -
Line of Credit	1,250,000	-	-	1,250,000	-	-	-	-
Accrued salaries, wages and other liabilities	1,034,602	-	-	1,034,602	-	-	-	-
Accrued leave liability	770,425	-	-	770,425	-	-	-	-
Deferred subscription and other revenue	518,100	-	-	518,100	-	-	-	-
Total current liabilities	<u>5,326,892</u>	<u>-</u>	<u>-</u>	<u>5,326,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS:								
Operations	(2,097,241)	-	-	(2,097,241)	4,643,287	4,546,890	-	9,190,177
Ohio Bicentennial Commission	-	135,368	-	135,368	-	-	-	-
Endowment fund balance	-	-	-	-	143,400	2,662,981	4,505,407	7,311,788
Quasi-Endowment	-	-	-	-	2,159,259	-	-	2,159,259
Total net assets	<u>(2,097,241)</u>	<u>135,368</u>	<u>-</u>	<u>(1,961,873)</u>	<u>6,945,946</u>	<u>7,209,871</u>	<u>4,505,407</u>	<u>18,661,224</u>
Total Liabilities and net assets	<u>\$ 3,229,651</u>	<u>\$ 135,368</u>	<u>\$ -</u>	<u>\$ 3,365,019</u>	<u>\$ 6,945,946</u>	<u>\$ 7,209,871</u>	<u>\$ 4,505,407</u>	<u>\$ 18,661,224</u>

	Total				Intercompany Adjustments		Combined 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	\$ 624,494	\$ 331,954	\$ 44,194	\$ 1,000,642	\$ -	\$ -	\$ 624,494	\$ 331,954	\$ 44,194	\$ 1,000,642
Receivables:										
Grants	93,970	-	-	93,970	-	-	93,970	-	-	93,970
Contracts	1,695,777	-	-	1,695,777	-	(750,000)	945,777	-	-	945,777
Current portion of pledges, net	-	698,387	-	698,387	-	-	-	698,387	-	698,387
Other	913,306	-	-	913,306	-	(700,390)	212,916	-	-	212,916
Inventories, net	289,211	-	-	289,211	-	-	289,211	-	-	289,211
Prepaid expenses and other current assets	53,821	34,274	-	88,095	-	-	53,821	34,274	-	88,095
Total current assets	3,670,579	1,064,615	44,194	4,779,388	-	(1,450,390)	2,220,189	1,064,615	44,194	3,328,998
PROPERTY AND EQUIPMENT, net	1,291,906	-	-	1,291,906	-	-	1,291,906	-	-	1,291,906
LONG-TERM INVESTMENTS	5,213,111	6,280,624	4,461,213	15,954,948	-	-	5,213,111	6,280,624	4,461,213	15,954,948
Total assets	<u>\$ 10,175,596</u>	<u>\$ 7,345,239</u>	<u>\$ 4,505,407</u>	<u>\$ 22,026,242</u>	<u>\$ -</u>	<u>\$(1,450,390)</u>	<u>\$ 8,725,206</u>	<u>\$ 7,345,239</u>	<u>\$ 4,505,407</u>	<u>\$ 20,575,852</u>
<b>LIABILITIES AND NET ASSETS</b>										
<b>CURRENT LIABILITIES:</b>										
Accounts payable	\$ 1,753,765	\$ -	\$ -	\$ 1,753,765	\$ (700,390)	\$ -	\$ 1,053,375	\$ -	\$ -	\$ 1,053,375
Line of Credit	1,250,000	-	-	1,250,000	(750,000)	-	500,000	-	-	500,000
Accrued salaries, wages and other liabilities	1,034,601	-	-	1,034,601	-	-	1,034,601	-	-	1,034,601
Accrued leave liability	770,425	-	-	770,425	-	-	770,425	-	-	770,425
Deferred subscription and other revenue	518,100	-	-	518,100	-	-	518,100	-	-	518,100
Total current liabilities	5,326,891	-	-	5,326,891	(1,450,390)	-	3,876,501	-	-	3,876,501
NET ASSETS:										
Operations	2,546,046	4,546,890	-	7,092,936	-	-	2,546,046	4,546,890	-	7,092,936
Ohio Bicentennial Commission	-	135,368	-	135,368	-	-	-	135,368	-	135,368
Endowment fund balance	143,400	2,662,981	4,505,407	7,311,788	-	-	143,400	2,662,981	4,505,407	7,311,788
Quasi-Endowment	2,159,259	-	-	2,159,259	-	-	2,159,259	-	-	2,159,259
Total net assets	4,848,705	7,345,239	4,505,407	16,699,351	-	-	4,848,705	7,345,239	4,505,407	16,699,351
Total Liabilities and net assets	<u>\$ 10,175,596</u>	<u>\$ 7,345,239</u>	<u>\$ 4,505,407</u>	<u>\$ 22,026,242</u>	<u>\$(1,450,390)</u>	<u>\$ -</u>	<u>\$ 8,725,206</u>	<u>\$ 7,345,239</u>	<u>\$ 4,505,407</u>	<u>\$ 20,575,852</u>

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

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2017

	Ohio Historical Society			Ohio Historical Society Foundation				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>								
State appropriations:								
Operating subsidies	\$ 11,129,228	\$ -	\$ -	\$ 11,129,228	\$ -	\$ -	\$ -	\$ -
Capital projects	4,280,231	-	-	4,280,231	-	-	-	-
Government contracts and grants	2,647,830	-	-	2,647,830	-	-	-	-
Private contracts and grants	1,227,194	-	-	1,227,194	-	-	-	-
Contributions	2,228	-	-	2,228	313,083	1,449,889	1,363,564	3,126,536
Contributed materials and services	1,899,131	-	-	1,899,131	-	-	-	-
Other support	364	-	-	364	-	-	-	-
Total support	21,186,206	-	-	21,186,206	313,083	1,449,889	1,363,564	3,126,536
<b>REVENUE:</b>								
Admissions and parking	281,198	-	-	281,198	-	-	-	-
Memberships and subscriptions	584,325	-	-	584,325	-	-	-	-
Investment income	6,109	-	-	6,109	113,299	41,905	158,070	313,274
Sales and facilities use	232,369	-	-	232,369	-	-	-	-
Special events	146,864	-	-	146,864	-	-	-	-
Program services income	897,117	-	-	897,117	-	-	-	-
Other revenue	181,591	-	-	181,591	15,925	-	-	15,925
Total revenue	2,329,573	-	-	2,329,573	129,224	41,905	158,070	329,199
Net assets released from restriction	-	-	-	-	898,317	(898,317)	-	-
Total support and revenue	23,515,779	-	-	23,515,779	1,340,624	593,477	1,521,634	3,455,735
<b>EXPENSES:</b>								
Program expenses:								
Site operations, educational and interpretive programs	12,026,267	4,500	-	12,030,767	-	-	-	-
Contributed materials and services	1,899,131	-	-	1,899,131	-	-	-	-
State archives and library	1,345,643	-	-	1,345,643	-	-	-	-
Historic preservation office	3,664,985	-	-	3,664,985	-	-	-	-
Capital projects	4,300,819	-	-	4,300,819	-	-	-	-
Support services:								
Management and general	3,845,580	-	-	3,845,580	38,169	3,888	12,296	54,353
Fundraising	692,233	-	-	692,233	-	-	-	-
Total expenses	27,774,658	4,500	-	27,779,158	38,169	3,888	12,296	54,353
Changes in net assets from operations	(4,258,879)	(4,500)	-	(4,263,379)	1,302,455	589,589	1,509,338	3,401,382
<b>OTHER INCOME(EXPENSES):</b>								
Collections items purchased but not capitalized	(160,314)	-	-	(160,314)	-	-	-	-
Net realized and unrealized gains (losses) on investments	-	-	-	-	456,401	346,481	133,374	936,256
Transfer of net assets restrictions	2,244,415	-	-	2,244,415	(2,244,415)	-	-	(2,244,415)
Changes in net assets	(2,174,778)	(4,500)	-	(2,179,278)	(485,559)	936,070	1,642,712	2,093,223
NET ASSETS, beginning of year	(2,097,241)	135,368	-	(1,961,873)	6,945,946	7,209,871	4,505,407	18,661,224
NET ASSETS, end of year	<u>\$ (4,272,019)</u>	<u>\$ 130,868</u>	<u>\$ -</u>	<u>\$ (4,141,151)</u>	<u>\$ 6,460,387</u>	<u>\$ 8,145,941</u>	<u>\$ 6,148,119</u>	<u>\$ 20,754,447</u>

	Total				Intercompany Adjustments		Combined Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>										
State appropriations:										
Operating subsidies	\$ 11,129,228			\$ 11,129,228	\$ -	\$ -	\$ 11,129,228	\$ -	\$ -	\$ 11,129,228
Capital projects	4,280,231			4,280,231			4,280,231	-	-	4,280,231
Government contracts and grants	2,647,830			2,647,830			2,647,830	-	-	2,647,830
Private contracts and grants	1,227,194			1,227,194			1,227,194	-	-	1,227,194
Contributions	315,311	1,449,889	1,363,564	3,128,764			315,311	1,449,889	1,363,564	3,128,764
Contributed materials and services	1,899,131			1,899,131			1,899,131			1,899,131
Other support	364	-		364	-		364	-		364
Total support	21,499,289	1,449,889	1,363,564	24,312,742	-	-	21,499,289	1,449,889	1,363,564	24,312,742
<b>REVENUE:</b>										
Admissions and parking	281,198			281,198	-	-	281,198	-	-	281,198
Memberships and subscriptions	584,325			584,325	-	-	584,325	-	-	584,325
Investment income	119,408	41,905	158,070	319,383	-	-	119,408	41,905	158,070	319,383
Sales and facilities use	232,369			232,369	-	-	232,369	-	-	232,369
Special events	146,864			146,864	-	-	146,864	-	-	146,864
Program services income	897,117			897,117	-	-	897,117	-	-	897,117
Other revenue	197,516			197,516	-	-	197,516	-	-	197,516
Total revenue	2,458,797	41,905	158,070	2,658,772	-	-	2,458,797	41,905	158,070	2,658,772
Net assets released from restriction	898,317	(898,317)	-				898,317	(898,317)	-	
Total support and revenue	24,856,403	593,477	1,521,634	26,971,514	-	-	24,856,403	593,477	1,521,634	26,971,514
<b>EXPENSES:</b>										
Program expenses:										
Site operations, educational and interpretive programs	12,026,267	4,500	-	12,030,767	-	-	12,026,267	4,500	-	12,030,767
Contributed materials and services	1,899,131	-	-	1,899,131	-	-	1,899,131	-	-	1,899,131
State archives and library	1,345,643	-	-	1,345,643	-	-	1,345,643	-	-	1,345,643
Historic preservation office	3,664,985	-	-	3,664,985	-	-	3,664,985	-	-	3,664,985
Capital projects	4,300,819	-	-	4,300,819	-	-	4,300,819	-	-	4,300,819
Support services:										
Management and general	3,883,749	3,888	12,296	3,899,933	-	-	3,883,749	3,888	12,296	3,899,933
Fundraising	692,233	-	-	692,233	-	-	692,233	-	-	692,233
Total expenses	27,812,827	8,388	12,296	27,833,511	-	-	27,812,827	8,388	12,296	27,833,511
Changes in net assets from operations	(2,956,424)	585,089	1,509,338	(861,997)	-	-	(2,956,424)	585,089	1,509,338	(861,997)
<b>OTHER INCOME(EXPENSES):</b>										
Collections items purchased but not capitalized	(160,314)	-	-	(160,314)	-	-	(160,314)	-	-	(160,314)
Net realized and unrealized gains (losses) on investments	456,401	346,481	133,374	936,256	-	-	456,401	346,481	133,374	936,256
Transfer of net assets restrictions	-	-	-	-	-	-	-	-	-	-
Changes in net assets	(2,660,337)	931,570	1,642,712	(86,055)	-	-	(2,660,337)	931,570	1,642,712	(86,055)
NET ASSETS, beginning of year	4,848,705	7,345,239	4,505,407	16,699,351	-	-	4,848,705	7,345,239	4,505,407	16,699,351
NET ASSETS, end of year	\$ 2,188,368	\$ 8,276,809	\$ 6,148,119	\$ 16,613,296	\$ -	\$ -	\$ 2,188,368	\$ 8,276,809	\$ 6,148,119	\$ 16,613,296

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

OHIO HISTORICAL SOCIETY AND AFFILIATE  
dba OHIO HISTORY CONNECTION

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2016

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>								
State appropriations:								
Operating subsidies	\$ 11,435,478	\$ -	\$ -	\$ 11,435,478	\$ -	\$ -	\$ -	\$ -
Capital projects	3,597,330	-	-	3,597,330	-	-	-	-
Government contracts and grants	2,166,996	-	-	2,166,996	-	-	-	-
Private contracts and grants	170,166	-	-	170,166	-	-	-	-
Contributions	1,187	-	-	1,187	330,477	1,251,678	23,125	1,605,280
Contributed materials and services	1,844,927	-	-	1,844,927	-	-	-	-
Other support	178	-	-	178	-	-	-	-
<b>Total support</b>	<b>19,216,262</b>	<b>-</b>	<b>-</b>	<b>19,216,262</b>	<b>330,477</b>	<b>1,251,678</b>	<b>23,125</b>	<b>1,605,280</b>
<b>REVENUE:</b>								
Admissions and parking	279,569	-	-	279,569	-	-	-	-
Memberships and subscriptions	565,997	-	-	565,997	-	-	-	-
Investment income	7,673	-	-	7,673	115,836	61,743	190,593	368,172
Sales and facilities use	197,131	-	-	197,131	-	-	-	-
Special events	138,047	-	-	138,047	-	-	-	-
Program services income	1,075,125	-	-	1,075,125	-	-	-	-
Other revenue	266,693	-	-	266,693	50,118	-	-	50,118
<b>Total revenue</b>	<b>2,530,235</b>	<b>-</b>	<b>-</b>	<b>2,530,235</b>	<b>165,954</b>	<b>61,743</b>	<b>190,593</b>	<b>418,290</b>
Net assets released from restriction	-	-	-	-	1,478,793	(1,478,793)	-	-
<b>Total support and revenue</b>	<b>21,746,497</b>	<b>-</b>	<b>-</b>	<b>21,746,497</b>	<b>1,975,224</b>	<b>(165,372)</b>	<b>213,718</b>	<b>2,023,570</b>
<b>EXPENSES:</b>								
Program expenses:								
Site operations, educational and interpretive programs	11,265,224	-	-	11,265,224	-	-	-	-
Contributed materials and services	1,844,927	-	-	1,844,927	-	-	-	-
State archives and library	1,157,752	-	-	1,157,752	-	-	-	-
Historic preservation office	2,335,810	-	-	2,335,810	-	-	-	-
Capital projects	3,552,403	-	-	3,552,403	-	-	-	-
Support services:								
Management and general	3,296,277	-	-	3,296,277	65,660	18,725	11,918	96,303
Fundraising	507,788	-	-	507,788	-	-	-	-
<b>Total expenses</b>	<b>23,960,181</b>	<b>-</b>	<b>-</b>	<b>23,960,181</b>	<b>65,660</b>	<b>18,725</b>	<b>11,918</b>	<b>96,303</b>
Changes in net assets from operations	(2,213,684)	-	-	(2,213,684)	1,909,564	(184,097)	201,800	1,927,267
<b>OTHER INCOME(EXPENSES):</b>								
Collections items purchased but not capitalized	(549,600)	-	-	(549,600)	-	-	-	-
Net realized and unrealized gains (losses) on investments	-	-	-	-	69,746	25,956	56,993	152,695
Transfers To The Ohio History Connection	1,529,430	-	-	1,529,430	(1,529,430)	-	-	(1,529,430)
Changes in net assets	(1,233,854)	-	-	(1,233,854)	449,880	(158,141)	258,793	550,532
<b>NET ASSETS, beginning of year</b>	<b>(863,388)</b>	<b>135,368</b>	<b>-</b>	<b>(728,020)</b>	<b>6,496,068</b>	<b>7,368,012</b>	<b>4,246,614</b>	<b>18,110,694</b>
<b>NET ASSETS, end of year</b>	<b>\$ (2,097,242)</b>	<b>\$ 135,368</b>	<b>\$ -</b>	<b>\$ (1,961,874)</b>	<b>\$ 6,945,948</b>	<b>\$ 7,209,871</b>	<b>\$ 4,505,407</b>	<b>\$ 18,661,226</b>



	Total				Intercompany Adjustments		Combined Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>										
State appropriations:										
Operating subsidies	\$ 11,435,478	\$ -	\$ -	\$ 11,435,478	\$ -	\$ -	\$ 11,435,478	\$ -	\$ -	\$ 11,435,478
Capital projects	3,597,330	-	-	3,597,330	-	-	3,597,330	-	-	3,597,330
Government contracts and grants	2,166,996	-	-	2,166,996	-	-	2,166,996	-	-	2,166,996
Private contracts and grants	170,166	-	-	170,166	-	-	170,166	-	-	170,166
Contributions	331,664	1,251,678	23,125	1,606,467	-	-	331,664	1,251,678	23,125	1,606,467
Contributed materials and services	1,844,927	-	-	1,844,927	-	-	1,844,927	-	-	1,844,927
Other support	178	-	-	178	-	-	178	-	-	178
Total support	19,546,739	1,251,678	23,125	20,821,542	-	-	19,546,739	1,251,678	23,125	20,821,542
<b>REVENUE:</b>										
Admissions and parking	279,569	-	-	279,569	-	-	279,569	-	-	279,569
Memberships and subscriptions	565,997	-	-	565,997	-	-	565,997	-	-	565,997
Investment income	123,509	61,743	190,593	375,845	-	-	123,509	61,743	190,593	375,845
Sales and facilities use	197,131	-	-	197,131	-	-	197,131	-	-	197,131
Special events	138,047	-	-	138,047	-	-	138,047	-	-	138,047
Program services income	1,075,125	-	-	1,075,125	-	-	1,075,125	-	-	1,075,125
Other revenue	316,810	-	-	316,810	-	-	316,810	-	-	316,810
Total revenue	2,696,188	61,743	190,593	2,948,524	-	-	2,696,188	61,743	190,593	2,948,524
Net assets released from restriction	1,478,793	(1,478,793)	-	-	-	-	1,478,793	(1,478,793)	-	-
Total support and revenue	23,721,720	(165,372)	213,718	23,770,066	-	-	23,721,720	(165,372)	213,718	23,770,066
<b>EXPENSES:</b>										
Program expenses:										
Site operations, educational and interpretive programs	11,265,224	-	-	11,265,224	-	-	11,265,224	-	-	11,265,224
Contributed materials and services	1,844,927	-	-	1,844,927	-	-	1,844,927	-	-	1,844,927
State archives and library	1,157,752	-	-	1,157,752	-	-	1,157,752	-	-	1,157,752
Historic preservation office	2,335,810	-	-	2,335,810	-	-	2,335,810	-	-	2,335,810
Capital projects	3,552,403	-	-	3,552,403	-	-	3,552,403	-	-	3,552,403
Support services:										
Management and general	3,361,937	18,725	11,918	3,392,580	-	-	3,361,937	18,725	11,918	3,392,580
Fundraising	507,788	-	-	507,788	-	-	507,788	-	-	507,788
Total expenses	24,025,841	18,725	11,918	24,056,484	-	-	24,025,841	18,725	11,918	24,056,484
Changes in net assets from operations	(304,121)	(184,097)	201,800	(286,418)	-	-	(304,121)	(184,097)	201,800	(286,418)
<b>OTHER INCOME(EXPENSES):</b>										
Collections items purchased but not capitalized	(549,600)	-	-	(549,600)	-	-	(549,600)	-	-	(549,600)
Net realized and unrealized gains (losses) on investments	69,746	25,956	56,993	152,695	-	-	69,746	25,956	56,993	152,695
Transfers To The Ohio History Connection	-	-	-	-	-	-	-	-	-	-
Changes in net assets	(783,975)	(158,141)	258,793	(683,323)	-	-	(783,975)	(158,141)	258,793	(683,323)
NET ASSETS, beginning of year	5,632,680	7,503,380	4,246,614	17,382,674	-	-	5,632,680	7,503,380	4,246,614	17,382,674
NET ASSETS, end of year	<u>\$ 4,848,705</u>	<u>\$ 7,345,239</u>	<u>\$ 4,505,407</u>	<u>\$ 16,699,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,848,705</u>	<u>\$ 7,345,239</u>	<u>\$ 4,505,407</u>	<u>\$ 16,699,351</u>

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

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# Dave Yost • Auditor of State

OHIO HISTORY CONNECTION

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 19, 2017