

**The Ohio Historical Society  
and Affiliate**

*Consolidated Audited Financial Statements*

*For the years ended  
June 30, 2008 and 2007*



**Rea & Associates, Inc.**

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Ohio Historical Society  
1982 Velma Ave  
Columbus, Ohio 43211

We have reviewed the *Independent Auditors' Report* of the Ohio Historical Society, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Historical Society is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

February 23, 2009

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 9, 2008

*Focused on Your Future.*

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

## 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, 2008 and 2007 and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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, 2008 and 2007 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2008 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, 2008 and 2007 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.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2008 AND 2007

	June 30, 2008			June 30, 2007				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>								
<b>CURRENT ASSETS:</b>								
Cash and cash equivalents	\$ 920,694	\$ 205,373	\$ 6,710	\$ 1,132,777	\$ 1,864,727	\$ 313,433	\$ 3,688	\$ 2,181,848
Receivables:								
Grants	432,713	-	-	432,713	344,595	-	-	344,595
Contracts	1,446,937	-	-	1,446,937	1,053,552	-	-	1,053,552
Contributions	-	33,802	-	33,802	-	67,328	-	67,328
Other, net	36,492	1,321	-	37,813	100,928	728	-	101,656
Inventories, net	398,657	-	-	398,657	449,662	-	-	449,662
Prepaid expenses and other current assets	229,864	34,275	-	264,139	333,935	34,275	-	368,210
Total current assets	3,465,357	274,771	6,710	3,746,838	4,147,399	415,764	3,688	4,566,851
PROPERTY AND EQUIPMENT, net	912,100	-	-	912,100	989,871	-	-	989,871
LONG-TERM INVESTMENTS	6,388,815	2,914,477	4,721,764	14,025,056	6,353,164	3,224,903	4,957,475	14,535,542
Total assets	\$ 10,766,272	\$ 3,189,248	\$ 4,728,474	\$ 18,683,994	\$ 11,490,434	\$ 3,640,667	\$ 4,961,163	\$ 20,092,264
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES:</b>								
Accounts payable	\$ 1,022,587	\$ -	\$ -	\$ 1,022,587	\$ 867,804	\$ 150,666	\$ -	\$ 1,018,470
Accrued salaries and wages and other accrued liabilities	1,423,360	-	-	1,423,360	1,490,358	-	-	1,490,358
Accrued leave liability	1,212,759	-	-	1,212,759	1,496,609	-	-	1,496,609
Deferred state support	97,181	-	-	97,181	14,478	-	-	14,478
Deferred subscription and other revenue	504,266	-	-	504,266	586,365	-	-	586,365
Total current liabilities	4,260,153	-	-	4,260,153	4,455,614	150,666	-	4,606,280
<b>NET ASSETS:</b>								
Operations	3,411,580	2,983,875	-	6,395,455	4,297,590	3,261,801	-	7,559,391
Board designated:								
Reserves	485,285	-	-	485,285	482,057	-	-	482,057
Specific programs and projects	993,048	-	-	993,048	585,201	-	-	585,201
Ohio Bicentennial Commission	-	205,373	-	205,373	-	228,200	-	228,200
Endowment fund balance	-	-	4,728,474	4,728,474	-	-	4,961,163	4,961,163
Quasi-Endowment	1,616,206	-	-	1,616,206	1,669,972	-	-	1,669,972
Total net assets	6,506,119	3,189,248	4,728,474	14,423,841	7,034,820	3,490,001	4,961,163	15,485,984
Total liabilities and net assets	\$ 10,766,272	\$ 3,189,248	\$ 4,728,474	\$ 18,683,994	\$ 11,490,434	\$ 3,640,667	\$ 4,961,163	\$ 20,092,264

See notes to the consolidated financial statements.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>				
State appropriations:				
Operating subsidies	\$ 13,069,866	\$ -	\$ -	\$ 13,069,866
Capital projects	1,982,049	-	-	1,982,049
Government contracts and grants	2,044,165	-	-	2,044,165
Private contracts and grants	134,718	-	-	134,718
Contributions	292,101	540,164	23,856	856,121
Contributed materials and services	536,445	-	-	536,445
Other support	40,986	15,000	1,075	57,061
	<hr/>	<hr/>	<hr/>	<hr/>
Total support	18,100,330	555,164	24,931	18,680,425
<b>REVENUE:</b>				
Sales	829,330	-	-	829,330
Investment income	369,554	80,772	106,743	557,069
Admissions and parking	723,103	-	-	723,103
Memberships and subscriptions	393,567	-	-	393,567
Special events	146,346	-	-	146,346
Program services income	595,971	-	-	595,971
Other revenue	119,399	-	-	119,399
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	3,177,270	80,772	106,743	3,364,785
Net assets released from restriction	780,599	(780,599)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total support and revenue	22,058,199	(144,663)	131,674	22,045,210
<b>EXPENSES:</b>				
Program expenses:				
Site operations, educational and interpretive programs	11,841,415	-	-	11,841,415
State archives and library	1,904,287	-	-	1,904,287
Historic preservation office	1,551,889	-	-	1,551,889
Capital projects	1,982,049	-	-	1,982,049
Support services:				
Management and general	3,217,366	-	-	3,217,366
Business ventures	1,002,362	-	-	1,002,362
Fundraising	578,281	-	-	578,281
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	22,077,649	-	-	22,077,649
Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments	(19,450)	(144,663)	131,674	(32,439)
Collection items purchased but not capitalized	(39,516)	-	-	(39,516)
Net realized and unrealized gains (losses)	(463,299)	(162,526)	(364,363)	(990,188)
	<hr/>	<hr/>	<hr/>	<hr/>
Changes in net asset before transfer	(522,265)	(307,189)	(232,689)	(1,062,143)
Transfer of fund restrictions	(6,436)	6,436	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Changes in net assets	(528,701)	(300,753)	(232,689)	(1,062,143)
NET ASSETS, beginning of year	7,034,820	3,490,001	4,961,163	15,485,984
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NET ASSETS, end of year	\$ 6,506,119	\$ 3,189,248	\$ 4,728,474	\$ 14,423,841

See notes to the consolidated financial statements.



THE OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>				
State appropriations:				
Operating subsidies	\$ 12,738,386	\$ -	\$ -	\$ 12,738,386
Capital projects	2,881,079	-	-	2,881,079
Government contracts and grants	1,807,219	-	-	1,807,219
Private contracts and grants	130,332	-	-	130,332
Contributions	284,889	829,239	128,645	1,242,773
Contributed materials and services	572,078	-	-	572,078
Other support	41,453	7,000	2,025	50,478
	<u>18,455,436</u>	<u>836,239</u>	<u>130,670</u>	<u>19,422,345</u>
<b>REVENUE:</b>				
Sales	810,140	-	-	810,140
Investment income	415,670	118,239	63,335	597,244
Admissions and parking	721,920	-	-	721,920
Memberships and subscriptions	384,844	-	-	384,844
Special events	111,027	-	-	111,027
Program services income	563,824	-	-	563,824
Other revenue	108,989	-	-	108,989
	<u>3,116,414</u>	<u>118,239</u>	<u>63,335</u>	<u>3,297,988</u>
Net assets released from restriction	710,638	(710,638)	-	-
	<u>22,282,488</u>	<u>243,840</u>	<u>194,005</u>	<u>22,720,333</u>
<b>EXPENSES:</b>				
Program expenses:				
Site operations, educational and interpretive programs	11,229,434	-	-	11,229,434
State archives and library	2,223,376	-	-	2,223,376
Historic preservation office	1,537,584	-	-	1,537,584
Capital projects	2,884,767	-	-	2,884,767
Support services:				
Management and general	3,441,373	-	-	3,441,373
Business ventures	878,292	-	-	878,292
Fundraising	387,717	-	-	387,717
	<u>22,582,543</u>	<u>-</u>	<u>-</u>	<u>22,582,543</u>
Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments	(300,055)	243,840	194,005	137,790
Collection items purchased but not capitalized	(50,590)	-	-	(50,590)
Net realized and unrealized gains (losses)	625,728	363,623	254,668	1,244,019
	<u>275,083</u>	<u>607,463</u>	<u>448,673</u>	<u>1,331,219</u>
Transfer of fund restrictions	-	(888,822)	888,822	-
	<u>275,083</u>	<u>(281,359)</u>	<u>1,337,495</u>	<u>1,331,219</u>
NET ASSETS, beginning of year	<u>6,759,737</u>	<u>3,771,360</u>	<u>3,623,668</u>	<u>14,154,765</u>
NET ASSETS, end of year	<u>\$ 7,034,820</u>	<u>\$ 3,490,001</u>	<u>\$ 4,961,163</u>	<u>\$ 15,485,984</u>

See notes to the consolidated financial statements.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (1,062,143)	\$ 1,331,219
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Realized and unrealized (gain) loss on long-term investments	996,462	(1,244,019)
Depreciation	147,250	159,546
(Gain) loss on disposal of property and equipment	-	(2,000)
(Increase) decrease in operating assets:		
Receivables	(384,134)	1,344,510
Inventories	51,005	40,195
Prepaid expenses and other current assets	104,071	(128,914)
Increase (decrease) in operating liabilities:		
Accounts payable	4,117	(325,411)
Accrued salaries and wages and other accrued liabilities	(66,998)	73,568
Accrued leave liability	(283,850)	44,596
Deferred state support	82,703	(2,557)
Deferred subscription and other revenue	(82,099)	57,484
Net cash provided (used) by operating activities	<u>(493,616)</u>	<u>1,348,217</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of long-term investments and reinvested interest and dividends	(485,976)	(2,169,096)
Proceeds from the sale and maturity of long-term investments	-	61,125
Proceeds from the sale of property and equipment	-	6,000
Payments for the purchase of property and equipment	(69,479)	(386,781)
Net cash provided (used) by investing activities	<u>(555,455)</u>	<u>(2,488,752)</u>
Net decrease in cash and cash equivalents	<u>(1,049,071)</u>	<u>(1,140,535)</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,181,848</u>	<u>3,322,383</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 1,132,777</u></u>	<u><u>\$ 2,181,848</u></u>

See notes to the consolidated financial statements.

## THE OHIO HISTORICAL SOCIETY AND AFFILIATE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1: ORGANIZATION

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.

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below.

##### 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.

##### Fund Accounting

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

##### Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. The balances are presented net of estimated allowances for doubtful accounts of \$20,300 as of June 30, 2008 and 2007. 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.

Inventories

Inventories consist of supplies and resale merchandise, and are valued at the lower of average cost or market. Inventories are shown net of allowance for obsolescence of \$65,500 at both June 30, 2008 and 2007.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives of the related 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	Straight line
Vehicles	5	Straight line
Buildings	30	Straight line

Collections and Exhibits

Purchased and contributed collection and library objects are not included in the statement of financial position. No amounts are included in the statement of activity and changes in net assets for contributed collection objects because reasonable estimates of value are generally not available due to the nature of the objects. Donated items fall in the category of works of art, historical treasures and similar assets (see Note 6).

Accrued Leave Liability

The Organization's eligible employees earn vacation, sick, and personal leave based on the number of hours worked (excluding overtime hours) during the calendar year. Vacation leave accumulates to the maximum that can be earned in two years of service (up to 400 hours). On an annual basis, employees can elect to be paid for up to a maximum of 56 hours of vacation hours earned. Vacation leave is paid out at 50% of the employee's hourly rate.

Sick leave accumulates to a maximum of 880 hours. On an annual basis, employees can elect to be paid for up to a maximum of 56 hours of sick leave earned. Sick leave is paid out at 25% of the employee's hourly rate.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Leave Liability (Continued)

Personal leave accumulates to a maximum of 64 hours. On an annual basis, employees can elect to be paid up to a maximum of 64 hours of personal leave earned. Personal leave is paid out at 100% of the employee's hourly rate.

Classification of Net Assets

As required by Statement of Financial Accounting Standards (SFAS) No. 117, "*Financial Statements of Not-for-Profit Organizations*," 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 stipulations that either expire by the passage of time or that can be fulfilled or removed 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.

Grants and Subsidies

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

Subsidies appropriated to defray operational costs (mandated under Section 149.3 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 and Memberships

In accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "*Accounting for Contributions Received and Contributions Made*," 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.

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

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 statement of activity and changes in net assets as contributed materials and services and as program expenses. A breakdown of the kind of service volunteered, associated hours and estimated value as shown below.

Kind of Service	2008		2007	
	Hours Contributed	Estimated Value	Hours Contributed	Estimated Value
Interpretive services	37,541	\$ 418,578	40,525	\$ 451,851
Collection/curatorial services	3,121	38,390	2,738	31,828
Research	3,428	47,790	3,510	48,929
All other services	1,130	31,687	1,598	39,470
Total	45,220	\$ 536,445	48,371	\$ 572,078

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

Joint Activity Costs

It is the Organization's policy to account for joint activity costs according to the provisions of Statement of Position (SOP) 98-2, *Accounting for Costs of Materials and Activities of Not-for-Profit Organizations and State and Local Government Entities That Include Fund-Raising*. This statement sets the condition under which the Organization allocates joint costs to program, management and general and fundraising. Cost allocation occurs whenever costs are associated with more than one activity, and are attributed to each activity specifically.

Marketing and Public Relations

The Organization's policy is to expense marketing costs as incurred. Marketing costs were \$215,472 and \$344,400 for the years ended June 30, 2008 and 2007, 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 and, accordingly, no provision for income taxes is required.

Reclassifications

Certain expenses on the statement of activities and changes in net assets for the year ended June 30, 2007 have been reclassified, with no effect on changes in net assets, to be consistent with the classifications adopted for the year ended June 30, 2008.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30 are comprised of:

	<u>2008</u>	<u>2007</u>
Cash	\$ 921,819	\$ 653,098
Money market funds	210,958	1,528,750
Total	<u>\$ 1,132,777</u>	<u>\$ 2,181,848</u>

Concentration of Financial Risk

As of June 30, 2008 and 2007, the Organization had bank deposits that were in excess of the federally insured limit. The realization of these deposits depends upon the stability of the financial institution with which the Organization conducts business. The Organization also has investments in securities that are subject to fluctuation in market value.

NOTE 4: CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30 consist of the following:

<u>Contributions Receivable</u>	<u>2008</u>	<u>2007</u>
From individuals	\$ 48,012	\$ 78,036
From corporations	6,250	14,000
Contributions receivable before unamortized discount	<u>54,262</u>	<u>92,036</u>
Less: Unamortized discount	( 2,584)	( 4,383)
Less: Allowance for doubtful accounts	<u>(17,876)</u>	<u>(20,325)</u>
Net contributions receivable	<u>\$ 33,802</u>	<u>\$ 67,328</u>
Amounts due in:		
Less than one year	\$ 44,262	\$ 87,036
One to five years	10,000	5,000
Less: Unamortized discount	( 2,584)	( 4,383)
Less: Allowance for doubtful accounts	<u>(17,876)</u>	<u>(20,325)</u>
Total	<u>\$ 33,802</u>	<u>\$ 67,328</u>

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment capitalized and accumulated depreciation at June 30 are as follows:

	<u>2008</u>	<u>2007</u>
Machinery and equipment	\$ 1,041,942	\$ 989,665
Land	234,866	234,866
Vehicles	354,286	348,256
Buildings	329,450	329,450
Gross property and equipment	<u>1,960,544</u>	<u>1,902,237</u>
Less: accumulated depreciation	<u>(1,048,444)</u>	<u>(912,366)</u>
Net book value	<u>\$ 912,100</u>	<u>\$ 989,871</u>

Depreciation expense for the years ended June 30, 2008 and 2007 were \$147,250 and \$159,546, respectively.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 2008 and 2007.

NOTE 7: LONG-TERM INVESTMENTS

Long-term investments are presented in the consolidated financial statements at market (fair value). Long-term investments primarily consist of an internally managed portfolio of mutual funds. The Organization has the ability to hold all certificates of deposit until maturity.

Long-term investments at June 30 consist of:

	2008		2007	
	Cost	Market	Cost	Market
Certificates of Deposit	\$ 99,000	\$ 99,000	\$ 99,000	\$ 99,000
Mutual funds	13,655,226	13,926,056	13,169,251	14,436,542
Total	<u>\$ 13,754,226</u>	<u>\$ 14,025,056</u>	<u>\$ 13,268,251</u>	<u>\$ 14,535,542</u>

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

	2008	2007
Interest and dividends	\$ 557,069	\$ 597,244
Realized gains	2,581	5,703
Unrealized (losses) gains	(992,769)	1,238,316
Total	<u>\$ (433,119)</u>	<u>\$ 1,841,263</u>

At June 30, 2008 and 2007, the Organization had on deposit with the Ohio Bureau of Employment Services \$99,000 of Certificates of Deposit (recorded as long-term investments in unrestricted funds). This deposit is collateral for unemployment repayments and is required by State statute for reimbursing employers.



THE OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8: NET ASSETS

As of June 30, 2008 and 2007, temporarily restricted net assets are all available for future year operations. Amounts are as follows:

Temporarily Restricted Net Assets	2008	2007
Ohio Bicentennial Commission	\$ 205,373	\$ 228,200
For specific sites and programs	<u>2,983,875</u>	<u>3,261,801</u>
Total	<u>\$ 3,189,248</u>	<u>\$ 3,490,001</u>

Net assets were released from donor restrictions during fiscal years 2008 and 2007 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	2008	2007
Ohio Bicentennial Commission	\$ 22,827	\$ 47,827
For specific sites and purposes	<u>757,772</u>	<u>662,811</u>
Total	<u>\$ 780,599</u>	<u>\$ 710,638</u>

As of June 30, permanently restricted net assets consist of endowment fund assets to be held in perpetuity. Principal amounts are as follows:

Permanently Restricted Net Assets	2008	2007
No restrictions on use of income	\$ 896,757	\$ 829,774
For specific sites and purposes	<u>3,831,717</u>	<u>4,131,389</u>
Total	<u>\$ 4,728,474</u>	<u>\$ 4,961,163</u>

NOTE 9: STATE CAPITAL APPROPRIATIONS

As of June 30, 2008, 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 \$7,898,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

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.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Plan members, Organization employees, are required to contribute 10% (9.5% until January 1, 2008) of their annual covered salary to fund pension obligations, and the Organization is required to contribute 14.00% (13.77% until January 1, 2008). 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, 2008 and 2007 were approximately \$1,496,000 and \$1,457,000, 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 14.00% (13.77% until January 1, 2008) of covered payroll; 4.5% was the portion that was used to fund healthcare for both years.

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

The System's audited estimated net assets available for payment of benefits at December 31, 2007 (the latest information available) were \$83,561 million.

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, 2008 will not have a material adverse effect on the Organization's financial position and results of operations.



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

September 9, 2008

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

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

We have audited the consolidated financial statements of The Ohio Historical Society and Affiliate (the "Organization") as of and for the year ended June 30, 2008 and have issued our report thereon dated September 9, 2008. 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 State of Ohio, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Rea & Associates, Inc.*

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# Rea & Associates, Inc.

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*Focused on Your Future.*

September 9, 2008

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB 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 are applicable to its major federal program for the year ended June 30, 2008. The Organization's major federal program is 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 its major federal program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

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

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

## Internal Control Over Compliance

The Organization's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on its federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 management, the Board of Trustees, others within the entity, and federal awarding agency and pass-through entity and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

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THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Federal Disbursements
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>		
National Historical Publications and Records Commission:		
Ohio Historical Records Advisory Board Planning	89.003	\$ 2,023
		<u>2,023</u>
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES:</b>		
Connect Ohio	45.301	66,590
		<u>66,590</u>
<b>DEPARTMENT OF EDUCATION</b>		
Congressional Academy Program	84.215d	248,319
		<u>248,319</u>
<b>DEPARTMENT OF THE INTERIOR</b>		
National Park Service - Newark Earthworks Historic Landmark	15.904	(11,231)
National Park Service - WP Snyder SAT	15.904	50,805
National Park Service - Quaker Meeting House	15.904	9,501
National Park Service - Save America's Treasures	15.904	2,164
National Park Service - Survey of Ohio Battlefields	15.904	614
National Park Service - Recent Past Survey	15.904	620
National Historical Preservation Act:		
Historic Preservation Fund	15.904	68,634
Historic Preservation Fund	15.904	154,532
Historic Preservation Fund	15.904	126,062
Historic Preservation Fund	15.904	422,714
		<u>824,415</u>
<b>HUD</b>		
Serpent Mound Restrooms EDI		69,710
		<u>69,710</u>
<b>TOTAL</b>		<u>\$ 1,211,057</u>

See notes to the schedule of expenditures of federal awards.

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

NOTE 2: SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
National Historic Preservation Act	15.904	\$ 72,171



THE OHIO HISTORICAL SOCIETY AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OMB CIRCULAR A-133 , Section .505

JUNE 30, 2008

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

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was 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 reportable internal control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Historic Preservation Fund (CFDA #15.904)
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

**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

THE OHIO HISTORICAL SOCIETY AND AFFILIATE  
SCHEDULE OF PRIOR AUDIT FINDINGS

FINANCIAL STATEMENT FINDINGS

No matters reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.



	Combined Total		Intercompany Adjustments		Consolidated Total			
	Unrestricted	Temporarily Restricted	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>								
<b>CURRENT ASSETS:</b>								
Cash and cash equivalents	\$ 920,694	\$ 205,373	\$ -	\$ -	\$ 920,694	\$ 205,373	\$ 6,710	\$ 1,132,777
Receivables:								
Grants	432,713	-	-	-	432,713	-	-	432,713
Contracts	1,446,937	-	-	-	1,446,937	-	-	1,446,937
Contributions	-	33,802	-	-	-	33,802	-	33,802
Other, net	230,448	1,321	(192,635)	(1,321)	36,492	1,321	-	37,813
Inventories, net	398,657	-	-	-	398,657	-	-	398,657
Prepaid expenses and other current assets	229,864	34,275	-	-	229,864	34,275	-	264,139
Total current assets	3,659,313	274,771	(192,635)	(1,321)	3,465,357	274,771	6,710	3,746,838
<b>PROPERTY AND EQUIPMENT, net</b>	912,100	-	-	-	912,100	-	-	912,100
<b>LONG-TERM INVESTMENTS</b>	6,388,815	2,914,477	-	-	6,388,815	2,914,477	4,721,764	14,025,056
Total assets	\$ 10,960,228	\$ 3,189,248	\$ (192,635)	\$ (1,321)	\$ 10,766,272	\$ 3,189,248	\$ 4,728,474	\$ 18,683,994
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES:</b>								
Accounts payable	\$ 1,216,543	\$ -	\$ (1,321)	\$ (192,635)	\$ 1,022,587	\$ -	\$ -	\$ 1,022,587
Accrued salaries and wages and other accrued liabilities	1,423,360	-	-	-	1,423,360	-	-	1,423,360
Accrued leave liability	1,212,759	-	-	-	1,212,759	-	-	1,212,759
Deferred state support	97,181	-	-	-	97,181	-	-	97,181
Deferred subscription and other revenue	504,266	-	-	-	504,266	-	-	504,266
Total current liabilities	4,454,109	-	(1,321)	(192,635)	4,260,153	-	-	4,260,153
<b>NET ASSETS:</b>								
Operations	3,411,580	2,983,875	-	-	3,411,580	2,983,875	-	6,395,455
Board designated	485,285	-	-	-	485,285	-	-	485,285
Reserves	993,048	-	-	-	993,048	-	-	993,048
Specific programs and projects	-	205,373	-	-	-	205,373	-	205,373
Ohio Bicentennial Commission	-	-	-	-	-	-	-	-
Endowment fund balance	1,616,206	-	-	-	1,616,206	-	4,728,474	4,728,474
Quasi-Endowment	6,506,119	3,189,248	-	-	6,506,119	3,189,248	4,728,474	14,423,841
Total net assets	\$ 10,960,228	\$ 3,189,248	\$ (1,321)	\$ (192,635)	\$ 10,766,272	\$ 3,189,248	\$ 4,728,474	\$ 18,683,994

See Independent Auditors' Report and notes to the consolidated financial statements.



	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	\$ 1,864,727	\$ 313,433	\$ 3,688	\$ 2,181,848	\$ -	\$ -	\$ 1,864,727	\$ 313,433	\$ 3,688	\$ 2,181,848
Receivables:										
Grants	344,595	-	-	344,595	-	-	344,595	-	-	344,595
Contracts	1,053,552	-	-	1,053,552	-	-	1,053,552	-	-	1,053,552
Contributions	-	67,328	-	67,328	-	-	-	67,328	-	67,328
Other, net	274,593	728	-	275,321	(173,665)	-	100,928	728	-	101,656
Inventories, net	449,662	-	-	449,662	-	-	449,662	-	-	449,662
Prepaid expenses and other current assets	333,935	34,275	-	368,210	-	-	333,935	34,275	-	368,210
Total current assets	4,321,064	415,764	3,688	4,740,516	(173,665)	-	4,147,399	415,764	3,688	4,566,851
PROPERTY AND EQUIPMENT, net	989,871	-	-	989,871	-	-	989,871	-	-	989,871
LONG-TERM INVESTMENTS	6,353,164	3,224,903	4,957,475	14,535,542	-	-	6,353,164	3,224,903	4,957,475	14,535,542
Total assets	\$ 11,664,099	\$ 3,640,667	\$ 4,961,163	\$ 20,265,929	\$ (173,665)	\$ -	\$ 11,490,434	\$ 3,640,667	\$ 4,961,163	\$ 20,092,264

	Combined Total			Intercompany Adjustments			Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	QHS	QHSE	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>LIABILITIES AND NET ASSETS</b>										
<b>CURRENT LIABILITIES:</b>										
Accounts payable	\$ 1,041,469	\$ 150,666	\$ -	\$ 1,192,135	\$ -	\$ (173,665)	\$ 867,804	\$ 150,666	\$ -	\$ 1,018,470
Accrued salaries and wages and other accrued liabilities	1,490,358	-	-	1,490,358	-	-	1,490,358	-	-	1,490,358
Accrued leave liability	1,496,609	-	-	1,496,609	-	-	1,496,609	-	-	1,496,609
Deferred state support	14,478	-	-	14,478	-	-	14,478	-	-	14,478
Deferred subscription and other revenue	586,365	-	-	586,365	-	-	586,365	-	-	586,365
Total current liabilities	4,629,279	150,666	-	4,779,945	-	(173,665)	4,455,614	150,666	-	4,606,280
NET ASSETS:										
Operations	4,297,590	3,261,801	-	7,559,391	-	-	4,297,590	3,261,801	-	7,559,391
Board designated										
Reserves	482,057	-	-	482,057	-	-	482,057	-	-	482,057
Specific programs and projects	585,201	-	-	585,201	-	-	585,201	-	-	585,201
Ohio Bicentennial Commission	-	228,200	-	228,200	-	-	-	228,200	-	228,200
Endowment fund balance	-	-	4,961,163	4,961,163	-	-	-	-	4,961,163	4,961,163
Quasi-Endowment	1,669,972	-	-	1,669,972	-	-	1,669,972	-	-	1,669,972
Total net assets	7,034,820	3,490,001	4,961,163	15,485,984	-	-	7,034,820	3,490,001	4,961,163	15,485,984
Total liabilities and net assets	\$ 11,664,099	\$ 3,640,667	\$ 4,961,163	\$ 20,265,929	\$ -	\$ (173,665)	\$ 11,490,434	\$ 3,640,667	\$ 4,961,163	\$ 20,092,264

See Independent Auditors' Report and notes to the consolidated financial statements.



	Combined Total			Intercompany Adjustments			Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHSE	OISE	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>										
State appropriations:										
Operating subsidies	\$ 13,069,866	\$ -	\$ -	\$ 13,069,866	\$ -	\$ -	\$ 13,069,866	\$ -	\$ -	\$ 13,069,866
Capital projects	1,982,049	-	-	1,982,049	-	-	1,982,049	-	-	1,982,049
Government contracts and grants	2,044,165	-	-	2,044,165	-	-	2,044,165	-	-	2,044,165
Private contracts and grants	134,718	-	-	134,718	-	-	134,718	-	-	134,718
Contributions	1,343,873	540,164	23,856	1,907,893	(1,051,772)	-	292,101	540,164	23,856	856,121
Contributed materials and services	536,445	-	-	536,445	-	-	536,445	-	-	536,445
Other support	40,986	15,000	1,075	57,061	-	-	40,986	15,000	1,075	57,061
Total support	19,152,102	555,164	24,931	19,732,197	(1,051,772)	-	18,100,330	555,164	24,931	18,680,425
<b>REVENUE:</b>										
Sales	829,330	-	-	829,330	-	-	829,330	-	-	829,330
Investment income	369,554	80,772	106,743	557,069	-	-	369,554	80,772	106,743	557,069
Admissions and parking	723,103	-	-	723,103	-	-	723,103	-	-	723,103
Memberships and subscriptions	400,140	-	-	400,140	(6,573)	-	393,567	-	-	393,567
Special events	146,346	-	-	146,346	-	-	146,346	-	-	146,346
Program services income	595,971	-	-	595,971	-	-	595,971	-	-	595,971
Other revenue	119,399	-	-	119,399	-	-	119,399	-	-	119,399
Total revenue	3,183,843	80,772	106,743	3,371,358	(6,573)	-	3,177,270	80,772	106,743	3,364,785
<b>Net assets released from restrictions</b>	780,599	(780,599)	-	-	-	-	780,599	(780,599)	-	-
Total support and revenue	23,116,544	(144,663)	131,674	23,103,555	(1,058,345)	-	22,058,199	(144,663)	131,674	22,045,210
<b>EXPENSES:</b>										
Program expenses:										
Site operations, educational and interpretive programs	11,841,415	-	-	11,841,415	-	-	11,841,415	-	-	11,841,415
State archives and library	1,904,287	-	-	1,904,287	-	-	1,904,287	-	-	1,904,287
Historic preservation office	1,551,889	-	-	1,551,889	-	-	1,551,889	-	-	1,551,889
Capital projects	1,982,049	-	-	1,982,049	-	-	1,982,049	-	-	1,982,049
Support services:										
Management and general	3,217,366	-	-	3,217,366	-	-	3,217,366	-	-	3,217,366
Business ventures	1,002,362	-	-	1,002,362	-	-	1,002,362	-	-	1,002,362
Fundraising	584,854	-	-	584,854	(6,573)	-	578,281	-	-	578,281
Total expenses	22,084,222	-	-	22,084,222	(6,573)	-	22,077,649	-	-	22,077,649
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investment	1,032,322	(144,663)	131,674	1,019,333	(1,058,345)	6,573	(19,450)	(144,663)	131,674	(32,439)
Collection items purchased but not capitalized	(39,516)	-	-	(39,516)	-	-	(39,516)	-	-	(39,516)
Net realized and unrealized gains (losses)	(463,299)	(162,526)	(364,363)	(990,188)	-	-	(463,299)	(162,526)	(364,363)	(990,188)
Changes in net assets before transfers	529,507	(307,189)	(232,689)	(10,371)	(1,058,345)	6,573	(522,265)	(307,189)	(232,689)	(1,062,143)
Transfer of fund restrictions	(6,436)	6,436	-	-	-	-	(6,436)	6,436	-	-
Transfers to Ohio Historical Society	(1,051,772)	-	-	(1,051,772)	-	1,051,772	-	-	-	-
Change in net assets	(528,701)	(300,753)	(232,689)	(1,062,143)	(1,058,345)	1,058,345	(528,701)	(300,753)	(232,689)	(1,062,143)
<b>NET ASSETS, beginning of year</b>	7,034,820	3,490,001	4,961,163	15,485,984	-	-	7,034,820	3,490,001	4,961,163	15,485,984
<b>NET ASSETS, end of year</b>	\$ 6,506,119	\$ 3,189,248	\$ 4,728,474	\$ 14,423,841	\$ (1,058,345)	\$ 1,058,345	\$ 6,506,119	\$ 3,189,248	\$ 4,728,474	\$ 14,423,841

See Independent Auditors' Report and notes to the consolidated financial statements.



**THE OHIO HISTORICAL SOCIETY AND AFFILIATE**  
**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Ohio Historical Society		Ohio Historical Society Foundation		Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	
<b>SUPPORT:</b>					
State appropriations:					
Operating subsidies	\$ 12,738,386	\$ -	\$ -	\$ -	\$ -
Capital projects	2,861,079	-	-	-	-
Government contracts and grants	1,807,219	-	-	-	-
Private contracts and grants	130,332	-	-	-	-
Contributions	949,192	-	829,219	128,645	1,240,392
Contributed materials and services	556,851	-	15,227	-	15,227
Other support	22,444	-	19,009	7,000	28,034
Total support	19,085,503	-	316,744	816,219	1,288,633
<b>REVENUE:</b>					
Sales	810,140	-	-	-	-
Investment income	219,023	-	196,647	118,219	63,315
Admissions and parking	721,970	-	-	-	378,221
Memberships and subscriptions	392,469	-	-	-	-
Special events	111,027	-	-	-	-
Program services income:	563,824	-	-	-	-
Other revenue	108,989	-	-	-	-
Total revenue	2,927,392	-	196,647	118,219	63,315
Net assets released from restrictions	47,827	(47,827)	662,811	(662,811)	-
<b>Total support and revenue</b>	<b>22,060,722</b>	<b>(47,827)</b>	<b>1,176,202</b>	<b>291,667</b>	<b>1,661,874</b>
<b>EXPENSES:</b>					
Program expenses:					
Site operations, educational and interpretive programs	11,214,207	-	15,227	-	15,227
State archives and library	2,223,376	-	-	-	-
Historic preservation office	1,537,584	-	-	-	-
Capital projects	2,884,767	-	-	-	-
Support services:					
Management and General	3,424,320	-	17,053	-	17,053
Business ventures	878,292	-	-	-	-
Fundraising	395,342	-	-	-	-
Total expenses	22,557,888	-	32,280	-	32,280
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investment	(497,166)	(47,827)	1,143,922	291,667	1,629,594
Collection items purchased but not capitalized	(50,590)	-	-	-	-
Net realized and unrealized gains (losses)	80,210	-	545,518	363,623	1,163,809
Changes in net assets before transfers	(467,546)	(47,827)	1,689,440	655,290	2,793,403
Transfer of fund restrictions	-	-	(946,811)	-	(946,811)
Transfers to Ohio Historical Society	(467,546)	(47,827)	742,629	(331,532)	1,337,495
Changes in net assets	2,650,740	276,027	4,108,997	3,493,333	1,623,668
<b>NET ASSETS, beginning of year</b>	<b>\$ 2,183,194</b>	<b>\$ 228,200</b>	<b>\$ 4,851,626</b>	<b>\$ 3,261,801</b>	<b>\$ 4,961,163</b>
<b>NET ASSETS, end of year</b>	<b>\$ 4,833,934</b>	<b>\$ 504,227</b>	<b>\$ 8,953,623</b>	<b>\$ 6,755,134</b>	<b>\$ 11,074,590</b>

	Combined Total			Intercompany Adjustments			Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OLSE	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT:</b>										
State appropriations:										
Operating subsidies	\$ 12,738,386	-	-	\$ 12,738,386	\$ -	\$ -	\$ 12,738,386	-	-	\$ 12,738,386
Capital projects	2,881,079	-	-	2,881,079	-	-	2,881,079	-	-	2,881,079
Government contracts and grants	1,807,219	-	-	1,807,219	-	-	1,807,219	-	-	1,807,219
Private contracts and grants	130,332	-	-	130,332	-	-	130,332	-	-	130,332
Contributions	1,231,700	829,239	128,645	2,189,584	(946,811)	-	284,889	829,239	128,645	1,242,773
Contributed materials and services	572,078	-	-	572,078	-	-	572,078	-	-	572,078
Other support	41,453	7,000	2,025	50,478	-	-	41,453	7,000	2,025	50,478
Total support	19,402,247	836,239	130,670	20,369,156	(946,811)	-	18,453,436	836,239	130,670	19,422,345
<b>REVENUE:</b>										
Sales	810,140	-	-	810,140	-	-	810,140	-	-	810,140
Investment income	415,670	63,335	-	597,244	-	-	415,670	118,239	63,335	597,244
Admissions and parking	721,970	-	-	721,970	-	-	721,970	-	-	721,970
Memberships and subscriptions	392,469	-	-	392,469	(7,625)	-	384,844	-	-	384,844
Special events	111,027	-	-	111,027	-	-	111,027	-	-	111,027
Program services income	563,824	-	-	563,824	-	-	563,824	-	-	563,824
Other revenue	108,989	-	-	108,989	-	-	108,989	-	-	108,989
Total revenue	3,124,039	118,239	63,335	3,305,613	(7,625)	-	3,116,414	118,239	63,335	3,297,988
Net assets released from restrictions	710,638	(710,638)	-	-	-	-	710,638	(710,638)	-	-
Total support and revenue	23,236,924	243,840	194,005	23,674,769	(954,436)	-	22,282,488	243,840	194,005	22,720,333
<b>EXPENSES:</b>										
Program expenses:										
Site operations, educational and interpretive programs	11,229,434	-	-	11,229,434	-	-	11,229,434	-	-	11,229,434
State archives and library	2,223,376	-	-	2,223,376	-	-	2,223,376	-	-	2,223,376
Historic preservation office	1,537,584	-	-	1,537,584	-	-	1,537,584	-	-	1,537,584
Capital projects	2,884,767	-	-	2,884,767	-	-	2,884,767	-	-	2,884,767
Support services:										
Management and general	3,441,373	-	-	3,441,373	-	-	3,441,373	-	-	3,441,373
Business ventures	878,292	-	-	878,292	-	(7,625)	878,292	-	-	878,292
Fundraising	395,342	-	-	395,342	-	-	387,717	-	-	387,717
Total expenses	22,590,168	-	-	22,590,168	(7,625)	-	22,582,543	-	-	22,582,543
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investment	646,756	243,840	194,005	1,084,601	(954,436)	7,625	(300,055)	243,840	194,005	137,790
Collection items purchased but not capitalized	(50,590)	-	-	(50,590)	-	-	(50,590)	-	-	(50,590)
Net realized and unrealized gains (losses)	625,728	363,623	254,668	1,244,019	-	-	625,728	363,623	254,668	1,244,019
Changes in net assets before transfers	1,221,894	607,463	448,673	2,278,030	(954,436)	7,625	275,083	607,463	448,673	1,331,209
Transfer of fund restrictions	(946,811)	(888,822)	888,822	-	-	-	-	(888,822)	888,822	-
Transfers to Ohio Historical Society	275,083	(281,359)	1,337,495	1,331,219	(954,436)	954,436	275,083	(281,359)	1,337,495	1,331,219
Change in net assets	6,799,737	3,771,360	3,623,668	14,154,765	-	-	6,759,737	3,771,360	3,623,668	14,154,765
NET ASSETS, beginning of year	\$ 7,034,820	\$ 3,490,001	\$ 4,961,163	\$ 15,485,984	\$ (954,436)	\$ 954,436	\$ 7,034,820	\$ 3,490,001	\$ 4,961,163	\$ 15,485,984
NET ASSETS, end of year										

See Independent Auditors' Report and notes to the consolidated financial statements.



Mary Taylor, CPA  
Auditor of State

OHIO HISTORICAL SOCIETY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 5, 2009