

Ohio Historical Society and Affiliate

Audited Combined Financial Statements

As of and for the Years Ended
June 30, 2012 and 2011



Rea & associates

www.reacpa.com



Dave Yost • Auditor of State

Board of Trustees
Ohio Historical Society and Affiliates
800 East 17th Ave
Columbus, Ohio 43211

We have reviewed the *Independent Auditor's Report* of the Ohio Historical Society and Affiliates, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2011 through June 30, 2012. 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 Affiliates is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 7, 2013

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying combined statements of financial position of the Ohio Historical Society and Affiliate (the "Organization") as of June 30, 2012 and 2011 and the related combined statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the 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, 2012 and 2011 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.

As described in Note 13 to the financial statements, the 2011 combined financial statements have been restated due to an error in the application of accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2012 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 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 financial statements. The accompanying combining financial statements as of and for the years ended June 30, 2012 and 2011 are also presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rea & Associates, Inc.

Rea & Associates, Inc.

OHIO HISTORICAL SOCIETY AND AFFILIATE
 COMBINED STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30, 2012 AND 2011

	June 30, 2012				June 30, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 827,638	\$ 151,552	\$ -	\$ 979,190	\$ 561,546	\$ 159,052	\$ 402,540	\$ 1,123,138
Receivables:								
Grants	409,277	-	-	409,277	463,786	-	-	463,786
Contracts	727,166	-	-	727,166	1,078,612	-	-	1,078,612
Contributions, net	-	78,016	-	78,016	-	28,174	-	28,174
Other, net	33,023	-	-	33,023	47,366	-	-	47,366
Inventories, net	231,863	-	-	231,863	225,176	-	-	225,176
Prepaid expenses and other current assets	172,249	34,274	-	206,523	357,226	34,274	-	391,500
Total current assets	<u>2,401,216</u>	<u>263,842</u>	<u>-</u>	<u>2,665,058</u>	<u>2,733,712</u>	<u>221,500</u>	<u>402,540</u>	<u>3,357,752</u>
PROPERTY AND EQUIPMENT, net	890,435	-	-	890,435	883,059	-	-	883,059
LONG-TERM INVESTMENTS	6,347,952	3,096,402	3,887,131	13,331,485	7,446,557	3,195,560	3,476,641	14,118,758
Total assets	<u>\$ 9,639,603</u>	<u>\$ 3,360,244</u>	<u>\$ 3,887,131</u>	<u>\$ 16,886,978</u>	<u>\$ 11,063,328</u>	<u>\$ 3,417,060</u>	<u>\$ 3,879,181</u>	<u>\$ 18,359,569</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 467,666	\$ -	\$ -	\$ 467,666	\$ 1,025,256	\$ -	\$ -	\$ 1,025,256
Accrued salaries, wages and other accrued liabilities	1,050,878	-	-	1,050,878	863,117	-	-	863,117
Accrued leave liability	629,765	-	-	629,765	633,408	-	-	633,408
Deferred state support	1,569	-	-	1,569	44,186	-	-	44,186
Deferred subscription and other revenue	900,650	-	-	900,650	752,126	-	-	752,126
Total current liabilities	<u>3,050,528</u>	<u>-</u>	<u>-</u>	<u>3,050,528</u>	<u>3,318,093</u>	<u>-</u>	<u>-</u>	<u>3,318,093</u>
NET ASSETS:								
Operations	2,717,284	2,064,409	-	4,781,693	4,014,966	2,107,589	-	6,122,555
Board designated:								
Reserves	500,287	-	-	500,287	497,416	-	-	497,416
Specific programs and projects	1,229,625	-	-	1,229,625	1,133,748	-	-	1,133,748
Ohio Bicentennial Commission	-	151,552	-	151,552	-	159,052	-	159,052
Endowment fund balance	45,692	1,144,283	3,887,131	5,077,106	46,934	1,150,419	3,879,181	5,076,534
Quasi-Endowment	2,096,187	-	-	2,096,187	2,052,171	-	-	2,052,171
Total net assets	<u>6,589,075</u>	<u>3,360,244</u>	<u>3,887,131</u>	<u>13,836,450</u>	<u>7,745,235</u>	<u>3,417,060</u>	<u>3,879,181</u>	<u>15,041,476</u>
Total liabilities and net assets	<u>\$ 9,639,603</u>	<u>\$ 3,360,244</u>	<u>\$ 3,887,131</u>	<u>\$ 16,886,978</u>	<u>\$ 11,063,328</u>	<u>\$ 3,417,060</u>	<u>\$ 3,879,181</u>	<u>\$ 18,359,569</u>

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

OHIO HISTORICAL SOCIETY AND AFFILIATE

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:				
State appropriations:				
Operating subsidies	\$ 7,894,821	\$ -	\$ -	\$ 7,894,821
Capital projects	1,814,065	-	-	1,814,065
Government contracts and grants	3,322,428	-	-	3,322,428
Private contracts and grants	7,681	-	-	7,681
Contributions	323,373	848,398	7,950	1,179,721
Contributed materials and services	1,096,164	-	-	1,096,164
Other support	31,057	-	-	31,057
Total support	14,489,589	848,398	7,950	15,345,937
REVENUE:				
Admissions and parking	213,395	-	-	213,395
Memberships and subscriptions	344,169	-	-	344,169
Investment income	18,919	276,906	-	295,825
Sales	286,151	-	-	286,151
Special events	137,804	-	-	137,804
Program services income	473,451	-	-	473,451
Other revenue	313,714	-	-	313,714
Total revenue	1,787,603	276,906	-	2,064,509
Net assets released from restriction	1,306,383	(1,306,383)	-	-
Total support and revenue	17,583,575	(181,079)	7,950	17,410,446
EXPENSES:				
Program expenses:				
Site operations, educational and interpretive programs	9,542,709	-	-	9,542,709
State archives and library	1,109,157	-	-	1,109,157
Historic preservation office	1,820,668	-	-	1,820,668
Capital projects	1,814,065	-	-	1,814,065
Support services:				
Management and general	3,590,309	-	-	3,590,309
Business ventures	162,592	-	-	162,592
Fundraising	582,079	-	-	582,079
Total expenses	18,621,579	-	-	18,621,579
Changes in net assets from operations	(1,038,004)	(181,079)	7,950	(1,211,133)
OTHER INCOME (EXPENSES):				
Collection items purchased but not capitalized	(73,894)	-	-	(73,894)
Net realized and unrealized gains (losses) on investments	(44,262)	124,263	-	80,001
Changes in net asset before transfer of fund restrictions	(1,156,160)	(56,816)	7,950	(1,205,026)
Transfer of fund restrictions	-	-	-	-
Changes in net assets	(1,156,160)	(56,816)	7,950	(1,205,026)
NET ASSETS, beginning of year	7,745,235	3,417,060	3,879,181	15,041,476
NET ASSETS, end of year	\$ 6,589,075	\$ 3,360,244	\$ 3,887,131	\$ 13,836,450

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

OHIO HISTORICAL SOCIETY AND AFFILIATE

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:				
State appropriations:				
Operating subsidies	\$ 7,553,377	\$ -	\$ -	\$ 7,553,377
Capital projects	4,017,194	-	-	4,017,194
Government contracts and grants	3,179,589	-	-	3,179,589
Private contracts and grants	19,989	-	-	19,989
Contributions	329,396	566,030	152,825	1,048,251
Contributed materials and services	846,290	-	-	846,290
Other support	60,642	-	-	60,642
Total support	16,006,477	566,030	152,825	16,725,332
REVENUE:				
Admissions and parking	202,164	-	-	202,164
Memberships and subscriptions	334,448	-	-	334,448
Investment income	55,837	265,128	-	320,965
Sales	127,081	-	-	127,081
Special events	122,355	-	-	122,355
Program services income	481,936	-	-	481,936
Other revenue	181,408	-	-	181,408
Total revenue	1,505,229	265,128	-	1,770,357
Net assets released from restriction	1,029,937	(1,029,937)	-	-
Total support and revenue	18,541,643	(198,779)	152,825	18,495,689
EXPENSES:				
Program expenses:				
Site operations, educational and interpretive programs	8,670,617	-	-	8,670,617
State archives and library	921,739	-	-	921,739
Historic preservation office	1,763,046	-	-	1,763,046
Capital projects	4,017,194	-	-	4,017,194
Support services:				
Management and general	3,095,845	-	-	3,095,845
Business ventures	139,705	-	-	139,705
Fundraising	420,444	-	-	420,444
Total expenses	19,028,590	-	-	19,028,590
Changes in net assets from operations	(486,947)	(198,779)	152,825	(532,901)
OTHER INCOME (EXPENSES):				
Collection items purchased but not capitalized	(34,576)	-	-	(34,576)
Net realized and unrealized gains (losses) on investments	1,958,563	85,370	-	2,043,933
Changes in net asset before transfer	1,437,040	(113,409)	152,825	1,476,456
Transfer of fund restrictions	(33,515)	30,091	3,424	-
Changes in net assets	1,403,525	(83,318)	156,249	1,476,456
NET ASSETS, beginning of year, as previously reported	5,897,422	3,500,378	3,722,932	13,120,732
Retroactive adjustment for unrecorded contributions (see Note 13)	444,288	-	-	444,288
NET ASSETS, end of year	\$ 7,745,235	\$ 3,417,060	\$ 3,879,181	\$ 15,041,476

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
 COMBINED STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (1,205,026)	\$ 1,476,456
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	56,231	127,467
Net realized and unrealized (gains) losses on investments	(80,001)	(2,043,933)
(Increase) decrease in operating assets:		
Receivables	370,456	74,692
Inventories	(6,687)	13,224
Prepaid expenses and other current assets	184,977	(252,141)
Increase (decrease) in operating liabilities:		
Accounts payable	(557,590)	279,906
Accrued salaries, wages and other accrued liabilities	187,761	(144,359)
Accrued leave liability	(3,643)	(146,932)
Deferred state support	(42,617)	(169,948)
Deferred subscription and other revenue	148,524	67,461
Total adjustments	257,411	(2,194,563)
Net cash used in operating activities	(947,615)	(718,107)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of long-term investments and reinvested interest and dividends	(422,755)	(307,637)
Proceeds from the sale of long-term investments	1,290,029	772,861
Payments for the purchase of property and equipment	(63,607)	(8,776)
Net cash provided by investing activities	803,667	456,448
Net decrease in cash and cash equivalents	(143,948)	(261,659)
CASH AND CASH EQUIVALENTS, beginning of year	1,123,138	1,384,797
CASH AND CASH EQUIVALENTS, end of year	\$ 979,190	\$ 1,123,138

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

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Ohio Historical Society (the "Society") was incorporated in 1885 as a private nonprofit organization. The Society conducts programs that identify, authenticate, collect, preserve, educate and interpret records, objects and places related to the State of Ohio's pre-history, history and natural history and publishes a magazine and pamphlets. The Society has been authorized and directed by numerous acts of the General Assembly of Ohio to perform certain functions such as manage the State's historic preservation program, supervise the State archives and a major history library, and act as custodian and administrator of certain historic sites owned by the State. The Society operates several museums and sites (some of which are owned by the Society) throughout the State. The Society is governed by a Board of Trustees comprised of 21 members serving three-year staggered terms. Nine members of the Board are elected by the Society's membership, nine members are appointed by the governor of the State, and three members are appointed by the Society's Board.

The Ohio Historical Society Foundation (the "Foundation") is a nonprofit corporation established in 1983 to assist the Society in its fundraising activities. The Foundation seeks, accepts and manages private contributions from organizations and individuals who believe in the preservation of Ohio's historical, natural and archeological heritage. It also applies for certain types of grants, both public and private, that serve the purposes for which the Society and Foundation were organized. Conestoga, a volunteer support group, was established by the Foundation to organize and carry out certain fundraising activities on behalf of the Foundation. The accounts of the Foundation, including Conestoga, are included in these 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 in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Accounting

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

Revenue Recognition

The Organization's revenue recognition policies are as follows:

Grant Revenue

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

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

State Subsidies

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

Contributions

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

Contributed Facilities, Services and Materials

The Organization occupies, without charge, certain administrative offices owned by the State of Ohio. A substantial number of individuals have made significant contributions of their time to Organization programs. The Organization received in-kind contributions of services and materials that are reflected in the 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. A breakdown of the kind of service volunteered, associated hours contributed, and estimated values are shown below.

Kind of Service	2012		2011	
	Hours Contributed	Estimated Value	Hours Contributed	Estimated Value
Interpretive services	44,813	\$ 499,664	41,516	\$ 462,906
Collection/curatorial services	8,559	135,832	13,948	221,355
Research	842	11,737	545	7,597
All other services	28,938	448,931	10,037	154,432
Total	83,152	\$ 1,096,164	66,046	\$ 846,290

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.

Sales, Admissions, and Parking

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

Memberships

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

Cash and Cash Equivalents

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

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables primarily represent amounts due to the Organization under government grants, contracts, contributions, or from others. Receivables are presented net of estimated allowances for doubtful accounts. Management provides for doubtful accounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Amounts are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as income when received. As of June 30, 2012 and 2011, there was no allowance for doubtful accounts.

Contract receivables represent reimbursements for capital project expenses due from the Ohio Cultural Facilities Commission (see Note 9). \$439,520 and \$1,078,612 of these receivables were unbilled as of June 30, 2012 and 2011, respectively.

Inventories

Inventories consist of supplies and resale merchandise, and are valued at the lower of average cost or market. Inventories are presented net of an allowance for obsolescence in the amount of \$31,500 as of June 30 for both 2012 and 2011.

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

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.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2012 and 2011.

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, 2012 and 2011.

Classification of Net Assets

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

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

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Quasi-Endowment Funds

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

UPMIFA, ASC 958-205 and Endowment Funds

On November 17, 2008, the General Assembly adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The law was signed on January 6, 2009 and it became effective June 1, 2009. The Organization has evaluated the potential impact of the law as it relates to the Organization and the required disclosures in the 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, to maximize investment income. Endowment funds are subject to the investment policy approved by the Board of Trustees.

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

Joint Activity Costs

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

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$266,539 and \$111,313 for the years ended June 30, 2012 and 2011, respectively.

Salary Deferral Plans

Employees of the Organization are eligible to participate, on a voluntary basis, in several salary deferral plans that permit the deferral of compensation to future years. These plans are covered by either Section 457 or Section 403(b) of the Internal Revenue Code. All deferred compensation is paid to third-party administrators.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain business activities of the Organization may be subject to Federal income taxes. No provision for federal taxes was necessary for the years ended June 30, 2012 and 2011.

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, 2008 and prior.

Subsequent Events

The Organization has evaluated subsequent events through November 5, 2012, the date on which the financial statements were available to be issued. There were no subsequent events requiring disclosure.

Correction of an Error

As described in Note 13, an error in the application of accounting principles on previously issued financial statements was discovered subsequent to issuance. These corrections have been reported as a prior period adjustment in the opening balance of net assets within the June 30, 2011 financial statements.

NOTE 2: RISKS AND UNCERTAINTIES

Uninsured Risk - Cash Deposits

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

Market Risk - Investments

The accompanying 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 reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Concentration Risk - State Subsidies

State subsidies represented 45% and 41% of the Organization's total support and revenue for the years ended June 30, 2012 and 2011, respectively. Future reductions in these subsidy allocations may have a material impact on the Organization's operations.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 3: CASH AND CASH EQUIVALENTS

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

	2012	2011
Cash	\$ 455,518	\$ 342,138
Money market funds	523,672	781,000
Total	\$ 979,190	\$ 1,123,138

NOTE 4: CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of June 30:

Contributions Receivable	2011	2011
From individuals	\$ 26,650	\$ 10,560
From corporations	65,307	22,500
Gross contributions receivable	91,957	33,060
Less: unamortized discount	(4,379)	(1,574)
Less: allowance for doubtful accounts	(9,562)	(3,312)
Net contributions receivable	\$ 78,016	\$ 28,174
Amounts due in:		
Less than one year	\$ 91,957	\$ 33,060
One to five years	-	-
Less: unamortized discount	(4,379)	(1,574)
Less: allowance for doubtful accounts	(9,562)	(3,312)
Net contributions receivable	\$ 78,016	\$ 28,174

NOTE 5: PROPERTY AND EQUIPMENT

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

	2012	2011
Machinery and equipment	\$ 1,003,941	\$ 992,076
Land	476,716	476,716
Vehicles	371,623	391,846
Buildings	339,050	361,950
Property and equipment, at cost	2,191,330	2,222,588
Less: accumulated depreciation	(1,300,895)	(1,339,529)
Property and equipment, net	\$ 890,435	\$ 883,059

NOTE 6: HISTORIC COLLECTIONS, EXHIBITS, AND PROPERTIES

The Organization does not capitalize its artifacts and collections. The Organization's historical collections consist of approximately 1,700,000 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.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 6: COLLECTIONS AND EXHIBITS (Continued)

The Organization has a formal collection policy that addresses the acquisition, use and disposition of objects as well as guidelines for making and receiving loans.

The Organization had no material deaccessions during fiscal years 2012 and 2011.

NOTE 7: LONG-TERM INVESTMENTS

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

	2012	2011
Certificates of deposit	\$ 424,080	\$ 466,185
Mutual funds	12,907,405	13,652,573
Total	<u>\$ 13,331,485</u>	<u>\$ 14,118,758</u>

NOTE 8: NET ASSETS

As of June 30, 2012 and 2011, temporarily restricted net assets are available for future year operations. Amounts are as follows:

Temporarily Restricted Net Assets	2012	2011
Ohio Bicentennial Commission	\$ 151,552	\$ 159,052
For specific sites and programs	2,064,409	2,107,589
Endowment fund balance	1,144,283	1,150,419
Total	<u>\$ 3,360,244</u>	<u>\$ 3,417,060</u>

Net assets were released from donor restrictions during fiscal years 2012 and 2011 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	2012	2011
Ohio Bicentennial Commission	\$ 7,500	\$ 6,750
For specific sites and purposes	1,298,883	1,023,187
Total	<u>\$ 1,306,383</u>	<u>\$ 1,029,937</u>

Endowment fund activity for the year ended June 30, 2012 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 46,934	\$ 1,150,419	\$ 3,879,181	\$ 5,076,534
Investment return	10,262	104,941	-	115,203
Contributions	-	-	7,950	7,950
Appropriated for expenditure	(11,504)	(111,077)	-	(122,581)
Endowment net assets, end of year	<u>\$ 45,692</u>	<u>\$ 1,144,283</u>	<u>\$ 3,887,131</u>	<u>\$ 5,077,106</u>

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 8: NET ASSETS (Continued)

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

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

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

NOTE 9: STATE CAPITAL APPROPRIATIONS

As of June 30, 2012, 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 \$1,179,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

NOTE 10: LINE OF CREDIT

On March 30, 2012, the Organization entered into a line of credit agreement with a bank that allows the Organization to borrow up to \$500,000, with no stated expiration date. 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, 2012.

NOTE 11: 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.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 11: PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Plan members and Organization employees are required to contribute 10.0% of their annual covered salary to fund pension obligations, and the Organization is required to contribute 14.0%. Contributions are authorized by State statute, and the contribution rates are determined actuarially. The Organization's contributions to the System for the years ended June 30, 2012 and 2011, were approximately \$1,008,000 and \$1,051,000, respectively, equal to the required contributions for each year.

Post-Employment Benefits Other Than Pension Benefits

The System also provides post-retirement healthcare coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. A portion of each employer's contribution to the System is set aside for the funding of post-retirement healthcare. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was 14.0% of covered payroll; 4% (5% until December 31, 2010) was the portion that was used to fund post-retirement healthcare.

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

The System's audited estimated net assets available for payment of benefits as of December 31, 2011, (the latest information available) were approximately \$74.031 billion.

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, 2012 will not have a material adverse effect on the Organization's financial position and results of activities.

NOTE 13: RETROACTIVE CHANGE FOR THE RECOGNITION OF CONTRIBUTION REVENUE

As described in Note 1 to the financial statements, contributions are recognized at their fair value at the time the promise to give has been received. Prior to June 30, 2011, the Organization had received contributed property with a fair value of \$476,000 that had not been recognized in the statement of activities. The beginning net assets for the year ended June 30, 2011 have been restated to reflect an increase of this amount.

In addition, the depreciable property previously donated had accumulated depreciation in the amount of \$31,712 as of June 30, 2010. The beginning net assets for the year ended June 30, 2011 have been restated to reflect the prior period depreciation expense of this amount.

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November 5, 2012

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

INDEPENDENT AUDITOR'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

We have audited the combined statements of financial position of the Ohio Historical Society and Affiliate (the "Organization") as of and for the year ended June 30, 2012, and have issued our report thereon dated November 5, 2012. 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

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

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

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

Contributed Materials and Services

Generally accepted accounting principles requires contributions to be recorded at the fair value at the time the promise to give has been received. Prior to June 30, 2011, the Organization had received contributed property with a fair value of \$476,000 that had not been recognized in the statement of activities. The beginning net assets for the year ended June 30, 2011 have been restated to reflect an increase of this amount.

Management's Response

At the time these parcels were donated to the Society, the donor's wish was that the property would become a museum or historic site at the time of her death, although no guarantee was given to the donor nor was it a condition of the gift. Because of the possibility that this donation would be converted into a museum or historic site in the future, the properties' value was not included on the Society's combined financial statements at the time of donation. This is accordance with the Society's collection policy whereby it does not capitalize the value of its historical properties, artifacts, and objects (in compliance with ASC 958/FASB Standard No. 116).

Since the time of the donation in 2003, conditions had changed – 1. OHS had more time to evaluate the property's historical significance; and 2. OHS receives much less state operating dollars. These changes have led OHS to seek a locally-based historical organization to own and/or operate the property in accordance with the donor's wishes. As such, the Society must now account for the value of the property in its financial statements. To avoid similar situations from arising in the future, property donations will be discussed with the auditors at the time they occur so that proper accounting determinations can be made.

Managements written response to the material weakness identified was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Compliance and Other Matters

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

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

Rea & Associates, Inc.

Rea & Associates, Inc.

November 5, 2012

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

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

Compliance

We have audited the compliance of the Ohio Historical Society and Affiliate (the "Organization") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

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

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that are could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

The Organization's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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

Rea & Associates, Inc.

Rea & Associates, Inc.

OHIO HISTORICAL SOCIETY AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Federal Disbursements
U.S. National Archives and Records Administration National Historical Publications and Records Commission: Ohio Historical Records Advisory Board Planning	89.003	\$ 38,309
Institute of Museum and Library Services Museums for America	45.301	76,113
National Leadership Grants	45.312	12,799
Total Institute of Museum and Library Services:		88,912
U.S. Department of Education Office of Innovation and Improvement: Teaching American History	84.215X	425,278
U.S. Department of the Interior National Park Service Historic Preservation Fund Grants-in-Aid	15.904	1,239,909
American Battlefield Protection	15.926	12,068
Save America's Treasures	15.929	105,262
U.S. Fish and Wildlife Service	15.FFC	424
Total U.S. Department of the Interior:		1,357,663
National and Community Service AmeriCorps - The Ohio History Services Corps	94.006	266,264
Federal Highway Administration Morgan's Raiders Highway Markers	20.205	11,729
National Endowment for the Humanities Promotion of Humanities-Division of Preservation and Access	45.149	180,459
Promotion of Humanities-Professional Development	45.163	72,058
Total National Endowment for Humanities:		252,517
U.S. Department of Housing and Urban Development Office of Community Planning and Development Serpent Mound State Memorial	14.251	179,951
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 2,620,623

See notes to the schedule of expenditures of federal awards.

OHIO HISTORICAL SOCIETY AND AFFILIATE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activities of the Ohio Historical Society and Affiliate and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2: 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: Historic Preservation Fund Grants-in-Aid (CFDA #15.904) - \$107,316.

OHIO HISTORICAL SOCIETY AND AFFILIATE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133, Section .505
 JUNE 30, 2012

1. SUMMARY OF AUDITOR'S RESULTS
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(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)?	Yes
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	15.904 – Historic Preservation Funds Grant-in-Aid 84.215X – Teaching American History
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others >\$100,000
(d) (1) (ix)	Low Risk Auditee?	Yes

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

Contributed Materials and Services

Generally accepted accounting principles requires contributions to be recorded at the fair value at the time the promise to give has been received. Prior to June 30, 2011, the Organization had received contributed property with a fair value of \$476,000 that had not been recognized in the statement of activities. The beginning net assets for the year ended June 30, 2011 have been restated to reflect an increase of this amount.

Management's Response

At the time these parcels were donated to the Society, the donor's wish was that the property would become a museum or historic site at the time of her death, although no guarantee was given to the donor nor was it a condition of the gift. Because of the possibility that this donation would be converted into a museum or historic site in the future, the properties' value was not included on the Society's combined financial statements at the time of donation. This is accordance with the Society's collection policy whereby it does not capitalize the value of its historical properties, artifacts, and objects (in compliance with ASC 958/FASB Standard No. 116).

Since the time of the donation in 2003, conditions had changed – 1. OHS had more time to evaluate the property's historical significance; and 2. OHS receives much less state operating dollars. These changes have led OHS to seek a locally-based historical organization to own and/or operate the property in accordance with the donor's wishes. As such, the Society must now account for the value of the property in its financial statements. To avoid similar situations from arising in the future, property donations will be discussed with the auditors at the time they occur so that proper accounting determinations can be made.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.

OHIO HISTORICAL SOCIETY AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2012

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 279,620	\$ 151,552	\$ -	\$ 431,172	\$ 548,018	\$ -	\$ -	\$ 548,018
Receivables:								
Grants	409,277	-	-	409,277	-	-	-	-
Contracts	727,166	-	-	727,166	-	-	-	-
Contributions, net	-	-	-	-	-	78,016	-	78,016
Other, net	187,106	-	-	187,106	11,305	-	-	11,305
Inventories, net	231,863	-	-	231,863	-	-	-	-
Prepaid expenses and other current assets	172,249	-	-	172,249	-	34,274	-	34,274
Total current assets	2,007,281	151,552	-	2,158,833	559,323	112,290	-	671,613
PROPERTY AND EQUIPMENT, net	519,604	-	-	519,604	370,831	-	-	370,831
LONG-TERM INVESTMENTS	281,129	-	-	281,129	6,066,823	3,096,402	3,887,131	13,050,356
Total assets	\$ 2,808,014	\$ 151,552	\$ -	\$ 2,959,566	\$ 6,996,977	\$ 3,208,692	\$ 3,887,131	\$ 14,092,800
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 478,972	\$ -	\$ -	\$ 478,972	\$ 154,082	\$ -	\$ -	\$ 154,082
Accrued salaries, wages and other accrued liabilities	1,050,878	-	-	1,050,878	-	-	-	-
Accrued leave liability	629,765	-	-	629,765	-	-	-	-
Deferred state support	1,569	-	-	1,569	-	-	-	-
Deferred subscription and other revenue	900,650	-	-	900,650	-	-	-	-
Total current liabilities	3,061,834	-	-	3,061,834	154,082	-	-	154,082
NET ASSETS:								
Operations	(1,983,732)	-	-	(1,983,732)	4,701,016	2,064,409	-	6,765,425
Board designated:								
Reserves	500,287	-	-	500,287	-	-	-	-
Specific programs and projects	1,229,625	-	-	1,229,625	-	-	-	-
Ohio Bicentennial Commission	-	151,552	-	151,552	-	-	-	-
Endowment fund balance	-	-	-	-	45,692	1,144,283	3,887,131	5,077,106
Quasi-Endowment	-	-	-	-	2,096,187	-	-	2,096,187
Total net assets	(253,820)	151,552	-	(102,268)	6,842,895	3,208,692	3,887,131	13,938,718
Total liabilities and net assets	\$ 2,808,014	\$ 151,552	\$ -	\$ 2,959,566	\$ 6,996,977	\$ 3,208,692	\$ 3,887,131	\$ 14,092,800

	Combined Total				Intercompany Adjustments		Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 827,638	\$ 151,552	\$ -	\$ 979,190	\$ -	\$ -	\$ 827,638	\$ 151,552	\$ -	\$ 979,190
Receivables:										
Grants	409,277	-	-	409,277	-	-	409,277	-	-	409,277
Contracts	727,166	-	-	727,166	-	-	727,166	-	-	727,166
Contributions	-	78,016	-	78,016	-	-	-	78,016	-	78,016
Other, net	198,411	-	-	198,411	(154,083)	(11,305)	33,023	-	-	33,023
Inventories, net	231,863	-	-	231,863	-	-	231,863	-	-	231,863
Prepaid expenses and other current assets	172,249	34,274	-	206,523	-	-	172,249	34,274	-	206,523
Total current assets	2,566,604	263,842	-	2,830,446	(154,083)	(11,305)	2,401,216	263,842	-	2,665,058
PROPERTY AND EQUIPMENT, net	890,435	-	-	890,435	-	-	890,435	-	-	890,435
LONG-TERM INVESTMENTS	6,347,952	3,096,402	3,887,131	13,331,485	-	-	6,347,952	3,096,402	3,887,131	13,331,485
Total assets	\$ 9,804,991	\$ 3,360,244	\$ 3,887,131	\$ 17,052,366	\$ (154,083)	\$ (11,305)	\$ 9,639,603	\$ 3,360,244	\$ 3,887,131	\$ 16,886,978
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES:										
Accounts payable	\$ 633,054	\$ -	\$ -	\$ 633,054	\$ (11,305)	\$ (154,083)	\$ 467,666	\$ -	\$ -	\$ 467,666
Accrued salaries, wages and other accrued liabilities	1,050,878	-	-	1,050,878	-	-	1,050,878	-	-	1,050,878
Accrued leave liability	629,765	-	-	629,765	-	-	629,765	-	-	629,765
Deferred state support	1,569	-	-	1,569	-	-	1,569	-	-	1,569
Deferred subscription and other revenue	900,650	-	-	900,650	-	-	900,650	-	-	900,650
Total current liabilities	3,215,916	-	-	3,215,916	(11,305)	(154,083)	3,050,528	-	-	3,050,528
NET ASSETS:										
Operations	2,717,284	2,064,409	-	4,781,693	-	-	2,717,284	2,064,409	-	4,781,693
Board designated:										
Reserves	500,287	-	-	500,287	-	-	500,287	-	-	500,287
Specific programs and projects	1,229,625	-	-	1,229,625	-	-	1,229,625	-	-	1,229,625
Ohio Bicentennial Commission	-	151,552	-	151,552	-	-	-	151,552	-	151,552
Endowment fund balance	45,692	1,144,283	3,887,131	5,077,106	-	-	45,692	1,144,283	3,887,131	5,077,106
Quasi-Endowment	2,096,187	-	-	2,096,187	-	-	2,096,187	-	-	2,096,187
Total net assets	6,589,075	3,360,244	3,887,131	13,836,450	-	-	6,589,075	3,360,244	3,887,131	13,836,450
Total liabilities and net assets	\$ 9,804,991	\$ 3,360,244	\$ 3,887,131	\$ 17,052,366	\$ (11,305)	\$ (154,083)	\$ 9,639,603	\$ 3,360,244	\$ 3,887,131	\$ 16,886,978

See independent auditor's report and notes to the combined financial statements.

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

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 183,019	\$ 159,052	\$ -	\$ 342,071	\$ 378,527	\$ -	\$ 402,540	\$ 781,067
Receivables:								
Grants	463,786	-	-	463,786	-	-	-	-
Contracts	1,078,612	-	-	1,078,612	-	-	-	-
Contributions, net	-	-	-	-	-	28,174	-	28,174
Other, net	203,046	-	-	203,046	5,965	-	-	5,965
Inventories, net	225,176	-	-	225,176	-	-	-	-
Prepaid expenses and other current assets	357,226	-	-	357,226	-	34,274	-	34,274
Total current assets	2,510,865	159,052	-	2,669,917	384,492	62,448	402,540	849,480
PROPERTY AND EQUIPMENT, net	508,000	-	-	508,000	375,059	-	-	375,059
LONG-TERM INVESTMENTS	932,442	-	-	932,442	6,514,115	3,195,560	3,476,641	13,186,316
Total assets	<u>\$ 3,951,307</u>	<u>\$ 159,052</u>	<u>\$ -</u>	<u>\$ 4,110,359</u>	<u>\$ 7,273,666</u>	<u>\$ 3,258,008</u>	<u>\$ 3,879,181</u>	<u>\$ 14,410,855</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 1,031,221	\$ -	\$ -	\$ 1,031,221	\$ 155,680	\$ -	\$ -	\$ 155,680
Accrued salaries, wages and other accrued liabilities	863,117	-	-	863,117	-	-	-	-
Accrued leave liability	633,408	-	-	633,408	-	-	-	-
Deferred state support	44,186	-	-	44,186	-	-	-	-
Deferred subscription and other revenue	752,126	-	-	752,126	-	-	-	-
Total current liabilities	3,324,058	-	-	3,324,058	155,680	-	-	155,680
NET ASSETS:								
Operations	(1,003,915)	-	-	(1,003,915)	5,018,881	2,107,589	-	7,126,470
Board designated:								
Reserves	497,416	-	-	497,416	-	-	-	-
Specific programs and projects	1,133,748	-	-	1,133,748	-	-	-	-
Ohio Bicentennial Commission	-	159,052	-	159,052	-	-	-	-
Endowment fund balance	-	-	-	-	46,934	1,150,419	3,879,181	5,076,534
Quasi-Endowment	-	-	-	-	2,052,171	-	-	2,052,171
Total net assets	627,249	159,052	-	786,301	7,117,986	3,258,008	3,879,181	14,255,175
Total liabilities and net assets	<u>\$ 3,951,307</u>	<u>\$ 159,052</u>	<u>\$ -</u>	<u>\$ 4,110,359</u>	<u>\$ 7,273,666</u>	<u>\$ 3,258,008</u>	<u>\$ 3,879,181</u>	<u>\$ 14,410,855</u>

	Combined Total				Intercompany Adjustments		Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 561,546	\$ 159,052	\$ 402,540	\$ 1,123,138	\$ -	\$ -	\$ 561,546	\$ 159,052	\$ 402,540	\$ 1,123,138
Receivables:										
Grants	463,786	-	-	463,786	-	-	463,786	-	-	463,786
Contracts	1,078,612	-	-	1,078,612	-	-	1,078,612	-	-	1,078,612
Contributions	-	28,174	-	28,174	-	-	-	28,174	-	28,174
Other, net	209,011	-	-	209,011	(155,680)	(5,965)	47,366	-	-	47,366
Inventories, net	225,176	-	-	225,176	-	-	225,176	-	-	225,176
Prepaid expenses and other current assets	357,226	34,274	-	391,500	-	-	357,226	34,274	-	391,500
Total current assets	2,895,357	221,500	402,540	3,519,397	(155,680)	(5,965)	2,733,712	221,500	402,540	3,357,752
PROPERTY AND EQUIPMENT, net	883,059	-	-	883,059	-	-	883,059	-	-	883,059
LONG-TERM INVESTMENTS	7,446,557	3,195,560	3,476,641	14,118,758	-	-	7,446,557	3,195,560	3,476,641	14,118,758
Total assets	\$ 11,224,973	\$ 3,417,060	\$ 3,879,181	\$ 18,521,214	\$ (155,680)	\$ (5,965)	\$ 11,063,328	\$ 3,417,060	\$ 3,879,181	\$ 18,359,569
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES:										
Accounts payable	\$ 1,186,901	\$ -	\$ -	\$ 1,186,901	\$ (5,965)	\$ (155,680)	\$ 1,025,256	\$ -	\$ -	\$ 1,025,256
Accrued salaries, wages and other accrued liabilities	863,117	-	-	863,117	-	-	863,117	-	-	863,117
Accrued leave liability	633,408	-	-	633,408	-	-	633,408	-	-	633,408
Deferred state support	44,186	-	-	44,186	-	-	44,186	-	-	44,186
Deferred subscription and other revenue	752,126	-	-	752,126	-	-	752,126	-	-	752,126
Total current liabilities	3,479,738	-	-	3,479,738	(5,965)	(155,680)	3,318,093	-	-	3,318,093
NET ASSETS:										
Operations	4,014,966	2,107,589	-	6,122,555	-	-	4,014,966	2,107,589	-	6,122,555
Board designated:										
Reserves	497,416	-	-	497,416	-	-	497,416	-	-	497,416
Specific programs and projects	1,133,748	-	-	1,133,748	-	-	1,133,748	-	-	1,133,748
Ohio Bicentennial Commission	-	159,052	-	159,052	-	-	-	159,052	-	159,052
Endowment fund balance	46,934	1,150,419	3,879,181	5,076,534	-	-	46,934	1,150,419	3,879,181	5,076,534
Quasi-Endowment	2,052,171	-	-	2,052,171	-	-	2,052,171	-	-	2,052,171
Total net assets	7,745,235	3,417,060	3,879,181	15,041,476	-	-	7,745,235	3,417,060	3,879,181	15,041,476
Total liabilities and net assets	\$ 11,224,973	\$ 3,417,060	\$ 3,879,181	\$ 18,521,214	\$ (5,965)	\$ (155,680)	\$ 11,063,328	\$ 3,417,060	\$ 3,879,181	\$ 18,359,569

See independent auditor's report and notes to the combined financial statements.

OHIO HISTORICAL SOCIETY AND AFFILIATE

COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:								
State appropriations:								
Operating subsidies	\$ 7,894,821	\$ -	\$ -	\$ 7,894,821	\$ -	\$ -	\$ -	\$ -
Capital projects	1,814,065	-	-	1,814,065	-	-	-	-
Government contracts and grants	3,322,428	-	-	3,322,428	-	-	-	-
Private contracts and grants	7,681	-	-	7,681	-	-	-	-
Contributions	1,238,074	-	-	1,238,074	312,984	848,398	7,950	1,169,332
Contributed materials and services	1,096,164	-	-	1,096,164	-	-	-	-
Other support	28,048	-	-	28,048	3,009	-	-	3,009
Total support	15,401,281	-	-	15,401,281	315,993	848,398	7,950	1,172,341
REVENUE:								
Admissions and parking	213,395	-	-	213,395	-	-	-	-
Memberships and subscriptions	344,169	-	-	344,169	-	-	-	-
Investment income	10,375	-	-	10,375	8,544	276,906	-	285,450
Sales	286,151	-	-	286,151	-	-	-	-
Special events	137,804	-	-	137,804	-	-	-	-
Program services income	473,451	-	-	473,451	-	-	-	-
Other revenue	313,714	-	-	313,714	-	-	-	-
Total revenue	1,779,059	-	-	1,779,059	8,544	276,906	-	285,450
Net assets released from restrictions	7,500	(7,500)	-	-	1,298,883	(1,298,883)	-	-
Total support and revenue	17,187,840	(7,500)	-	17,180,340	1,623,420	(173,579)	7,950	1,457,791
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	9,542,709	-	-	9,542,709	-	-	-	-
State archives and library	1,109,157	-	-	1,109,157	-	-	-	-
Historic preservation office	1,820,668	-	-	1,820,668	-	-	-	-
Capital projects	1,814,065	-	-	1,814,065	-	-	-	-
Support services:								
Management and general	3,583,923	-	-	3,583,923	6,386	-	-	6,386
Business ventures	162,592	-	-	162,592	-	-	-	-
Fundraising	582,079	-	-	582,079	-	-	-	-
Total expenses	18,615,193	-	-	18,615,193	6,386	-	-	6,386
Changes in net assets from operations	(1,427,353)	(7,500)	-	(1,434,853)	1,617,034	(173,579)	7,950	1,451,405
OTHER INCOME (EXPENSES):								
Collection items purchased but not capitalized	(73,894)	-	-	(73,894)	-	-	-	-
Net realized and unrealized gains (losses) on investments	(4,822)	-	-	(4,822)	(39,440)	124,263	-	84,823
Changes in net assets before transfer of fund restrictions	(1,506,069)	(7,500)	-	(1,513,569)	1,577,594	(49,316)	7,950	1,536,228
Transfer of fund restrictions	-	-	-	-	-	-	-	-
Transfers to the Ohio Historical Society Foundation	-	-	-	-	-	-	-	-
Transfers to the Ohio Historical Society	625,000	-	-	625,000	(1,852,685)	-	-	(1,852,685)
Change in net assets	(881,069)	(7,500)	-	(888,569)	(275,091)	(49,316)	7,950	(316,457)
NET ASSETS, beginning of year	627,249	159,052	-	786,301	7,117,986	3,258,008	3,879,181	14,255,175
NET ASSETS, end of year	\$ (253,820)	\$ 151,552	\$ -	\$ (102,268)	\$ 6,842,895	\$ 3,208,692	\$ 3,887,131	\$ 13,938,718

	Combined Total				Intercompany Adjustments		Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:										
State appropriations:										
Operating subsidies	\$ 7,894,821	\$ -	\$ -	\$ 7,894,821	\$ -	\$ -	\$ 7,894,821	\$ -	\$ -	\$ 7,894,821
Capital projects	1,814,065	-	-	1,814,065	-	-	1,814,065	-	-	1,814,065
Government contracts and grants	3,322,428	-	-	3,322,428	-	-	3,322,428	-	-	3,322,428
Private contracts and grants	7,681	-	-	7,681	-	-	7,681	-	-	7,681
Contributions	1,551,058	848,398	7,950	2,407,406	(1,227,685)	-	323,373	848,398	7,950	1,179,721
Contributed materials and services	1,096,164	-	-	1,096,164	-	-	1,096,164	-	-	1,096,164
Other support	31,057	-	-	31,057	-	-	31,057	-	-	31,057
Total support	15,717,274	848,398	7,950	16,573,622	(1,227,685)	-	14,489,589	848,398	7,950	15,345,937
REVENUE:										
Admissions and parking	213,395	-	-	213,395	-	-	213,395	-	-	213,395
Memberships and subscriptions	344,169	-	-	344,169	-	-	344,169	-	-	344,169
Investment income	18,919	276,906	-	295,825	-	-	18,919	276,906	-	295,825
Sales	286,151	-	-	286,151	-	-	286,151	-	-	286,151
Special events	137,804	-	-	137,804	-	-	137,804	-	-	137,804
Program services income	473,451	-	-	473,451	-	-	473,451	-	-	473,451
Other revenue	313,714	-	-	313,714	-	-	313,714	-	-	313,714
Total revenue	1,787,603	276,906	-	2,064,509	-	-	1,787,603	276,906	-	2,064,509
Net assets released from restrictions	1,306,383	(1,306,383)	-	-	-	-	1,306,383	(1,306,383)	-	-
Total support and revenue	18,811,260	(181,079)	7,950	18,638,131	(1,227,685)	-	17,583,575	(181,079)	7,950	17,410,446
EXPENSES:										
Program expenses:										
Site operations, educational and interpretive programs	9,542,709	-	-	9,542,709	-	-	9,542,709	-	-	9,542,709
State archives and library	1,109,157	-	-	1,109,157	-	-	1,109,157	-	-	1,109,157
Historic preservation office	1,820,668	-	-	1,820,668	-	-	1,820,668	-	-	1,820,668
Capital projects	1,814,065	-	-	1,814,065	-	-	1,814,065	-	-	1,814,065
Support services:										
Management and general	3,590,309	-	-	3,590,309	-	-	3,590,309	-	-	3,590,309
Business ventures	162,592	-	-	162,592	-	-	162,592	-	-	162,592
Fundraising	582,079	-	-	582,079	-	-	582,079	-	-	582,079
Total expenses	18,621,579	-	-	18,621,579	-	-	18,621,579	-	-	18,621,579
Changes in net assets from operations	189,681	(181,079)	7,950	16,552	(1,227,685)	-	(1,038,004)	(181,079)	7,950	(1,211,133)
Collection items purchased but not capitalized	(73,894)	-	-	(73,894)	-	-	(73,894)	-	-	(73,894)
Net realized and unrealized gains (losses)	(44,262)	124,263	-	80,001	-	-	(44,262)	124,263	-	80,001
Changes in net assets before transfers	71,525	(56,816)	7,950	22,659	(1,227,685)	-	(1,156,160)	(56,816)	7,950	(1,205,026)
Transfer of fund restrictions	-	-	-	-	-	-	-	-	-	-
Transfers to the Ohio Historical Society Foundation	-	-	-	-	-	-	-	-	-	-
Transfers to the Ohio Historical Society	(1,227,685)	-	-	(1,227,685)	-	1,227,685	-	-	-	-
Change in net assets	(1,156,160)	(56,816)	7,950	(1,205,026)	(1,227,685)	1,227,685	(1,156,160)	(56,816)	7,950	(1,205,026)
NET ASSETS, beginning of year	7,745,235	3,417,060	3,879,181	15,041,476	-	-	7,745,235	3,417,060	3,879,181	15,041,476
NET ASSETS, end of year	\$ 6,589,075	\$ 3,360,244	\$ 3,887,131	\$ 13,836,450	\$ (1,227,685)	\$ 1,227,685	\$ 6,589,075	\$ 3,360,244	\$ 3,887,131	\$ 13,836,450

See independent auditor's report and notes to the combined financial statements.

OHIO HISTORICAL SOCIETY AND AFFILIATE

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

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:								
State appropriations:								
Operating subsidies	\$ 7,553,377	\$ -	\$ -	\$ 7,553,377	\$ -	\$ -	\$ -	\$ -
Capital projects	4,017,194	-	-	4,017,194	-	-	-	-
Government contracts and grants	3,179,589	-	-	3,179,589	-	-	-	-
Private contracts and grants	19,989	-	-	19,989	-	-	-	-
Contributions	1,352,612	-	-	1,352,612	327,921	566,030	152,825	1,046,776
Contributed materials and services	846,290	-	-	846,290	-	-	-	-
Other support	60,642	-	-	60,642	-	-	-	-
Total support	17,029,693	-	-	17,029,693	327,921	566,030	152,825	1,046,776
REVENUE:								
Admissions and parking	202,164	-	-	202,164	-	-	-	-
Memberships and subscriptions	334,448	-	-	334,448	-	-	-	-
Investment income	32,652	-	-	32,652	23,185	265,128	-	288,313
Sales	127,081	-	-	127,081	-	-	-	-
Special events	122,355	-	-	122,355	-	-	-	-
Program services income	481,936	-	-	481,936	-	-	-	-
Other revenue	181,408	-	-	181,408	-	-	-	-
Total revenue	1,482,044	-	-	1,482,044	23,185	265,128	-	288,313
Net assets released from restrictions	6,750	(6,750)	-	-	1,023,187	(1,023,187)	-	-
Total support and revenue	18,518,487	(6,750)	-	18,511,737	1,374,293	(192,029)	152,825	1,335,089
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	8,670,617	-	-	8,670,617	-	-	-	-
State archives and library	921,739	-	-	921,739	-	-	-	-
Historic preservation office	1,763,046	-	-	1,763,046	-	-	-	-
Capital projects	4,017,194	-	-	4,017,194	-	-	-	-
Support services:								
Management and general	3,078,533	-	-	3,078,533	17,312	-	-	17,312
Business ventures	139,705	-	-	139,705	-	-	-	-
Fundraising	420,444	-	-	420,444	-	-	-	-
Total expenses	19,011,278	-	-	19,011,278	17,312	-	-	17,312
Changes in net assets from operations	(492,791)	(6,750)	-	(499,541)	1,356,981	(192,029)	152,825	1,317,777
OTHER INCOME (EXPENSES):								
Collection items purchased but not capitalized	(34,576)	-	-	(34,576)	-	-	-	-
Net realized and unrealized gains (losses) on investments	83,997	-	-	83,997	1,874,566	85,370	-	1,959,936
Changes in net assets before transfer of fund restrictions	(443,370)	(6,750)	-	(450,120)	3,231,547	(106,659)	152,825	3,277,713
Transfer of fund restrictions	-	-	-	-	(33,515)	30,091	3,424	-
Transfers to the Ohio Historical Society	-	-	-	-	(1,351,137)	-	-	(1,351,137)
Change in net assets	(443,370)	(6,750)	-	(450,120)	1,846,895	(76,568)	156,249	1,926,576
NET ASSETS, beginning of year, as previously reported	1,005,619	165,802	-	1,171,421	4,891,803	3,334,576	3,722,932	11,949,311
Retroactive adjustment for unrecorded contributions (see Note 13)	65,000	-	-	65,000	379,288	-	-	379,288
NET ASSETS, end of year	\$ 627,249	\$ 159,052	\$ -	\$ 786,301	\$ 7,117,986	\$ 3,258,008	\$ 3,879,181	\$ 14,255,175

	Combined Total				Intercompany Adjustments		Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	QHS	QHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:										
State appropriations:										
Operating subsidies	\$ 7,553,377	\$ -	\$ -	\$ 7,553,377	\$ -	\$ -	\$ 7,553,377	\$ -	\$ -	\$ 7,553,377
Capital projects	4,017,194	-	-	4,017,194	-	-	4,017,194	-	-	4,017,194
Government contracts and grants	3,179,589	-	-	3,179,589	-	-	3,179,589	-	-	3,179,589
Private contracts and grants	19,989	-	-	19,989	-	-	19,989	-	-	19,989
Contributions	1,680,533	566,030	152,825	2,399,388	(1,351,137)	-	329,396	566,030	152,825	1,048,251
Contributed materials and services	846,290	-	-	846,290	-	-	846,290	-	-	846,290
Other support	60,642	-	-	60,642	-	-	60,642	-	-	60,642
Total support	17,357,614	566,030	152,825	18,076,469	(1,351,137)	-	16,006,477	566,030	152,825	16,725,332
REVENUE:										
Admissions and parking	202,164	-	-	202,164	-	-	202,164	-	-	202,164
Memberships and subscriptions	334,448	-	-	334,448	-	-	334,448	-	-	334,448
Investment income	55,837	265,128	-	320,965	-	-	55,837	265,128	-	320,965
Sales	127,081	-	-	127,081	-	-	127,081	-	-	127,081
Special events	122,355	-	-	122,355	-	-	122,355	-	-	122,355
Program services income	481,936	-	-	481,936	-	-	481,936	-	-	481,936
Other revenue	181,408	-	-	181,408	-	-	181,408	-	-	181,408
Total revenue	1,505,229	265,128	-	1,770,357	-	-	1,505,229	265,128	-	1,770,357
Net assets released from restrictions	1,029,937	(1,029,937)	-	-	-	-	1,029,937	(1,029,937)	-	-
Total support and revenue	19,892,780	(198,779)	152,825	19,846,826	(1,351,137)	-	18,541,643	(198,779)	152,825	18,495,689
EXPENSES:										
Program expenses:										
Site operations, educational and interpretive programs	8,670,617	-	-	8,670,617	-	-	8,670,617	-	-	8,670,617
State archives and library	921,739	-	-	921,739	-	-	921,739	-	-	921,739
Historic preservation office	1,763,046	-	-	1,763,046	-	-	1,763,046	-	-	1,763,046
Capital projects	4,017,194	-	-	4,017,194	-	-	4,017,194	-	-	4,017,194
Support services:										
Management and general	3,095,845	-	-	3,095,845	-	-	3,095,845	-	-	3,095,845
Business ventures	139,705	-	-	139,705	-	-	139,705	-	-	139,705
Fundraising	420,444	-	-	420,444	-	-	420,444	-	-	420,444
Total expenses	19,028,590	-	-	19,028,590	-	-	19,028,590	-	-	19,028,590
Changes in net assets from operations	864,190	(198,779)	152,825	818,236	(1,351,137)	-	(486,947)	(198,779)	152,825	(532,901)
Collection items purchased but not capitalized	(34,576)	-	-	(34,576)	-	-	(34,576)	-	-	(34,576)
Net realized and unrealized gains (losses)	1,958,563	85,370	-	2,043,933	-	-	1,958,563	85,370	-	2,043,933
Changes in net assets before transfers	2,788,177	(113,409)	152,825	2,827,593	(1,351,137)	-	1,437,040	(113,409)	152,825	1,476,456
Transfer of fund restrictions	(33,515)	30,091	3,424	-	-	-	(33,515)	30,091	3,424	-
Transfers to the Ohio Historical Society	(1,351,137)	-	-	(1,351,137)	-	1,351,137	-	-	-	-
Change in net assets	1,403,525	(83,318)	156,249	1,476,456	(1,351,137)	1,351,137	1,403,525	(83,318)	156,249	1,476,456
NET ASSETS, beginning of year, as previously reported	5,897,422	3,500,378	3,722,932	13,120,732	-	-	5,897,422	3,500,378	3,722,932	13,120,732
Retroactive adjustment for unrecorded contributions (see Note 13)	444,288	-	-	444,288	-	-	444,288	-	-	444,288
NET ASSETS, end of year	\$ 7,745,235	\$ 3,417,060	\$ 3,879,181	\$ 15,041,476	\$ (1,351,137)	\$ 1,351,137	\$ 7,745,235	\$ 3,417,060	\$ 3,879,181	\$ 15,041,476

See independent auditor's report and notes to the combined financial statements.



Dave Yost • Auditor of State

OHIO HISTORICAL SOCIETY AND AFFILIATES

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
JANUARY 17, 2013**