

OHIO HISTORICAL SOCIETY AND
AFFILIATE

DBA OHIO HISTORY CONNECTION
FRANKLIN COUNTY, OHIO

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

SINGLE AUDIT

AS OF AND FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020



Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Ohio Historical Society and Affiliate dba Ohio History Connection, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2021 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

November 16, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Ohio Historical Society and Affiliate (doing business as "Ohio History Connection" and referred to as the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (the "financial statements").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

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

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), is presented for purposes of additional analysis. The accompanying Consolidating Statements of Financial Position, Activities and Changes in Net Assets are also presented for purposes of additional analysis. The Schedules of Support, Revenue, and Expenses for Columbus and Other Ohio Divisions are also presented for purposes of additional analysis. These schedules and statements are not a required part of the 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 audit 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, these schedules and statements are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of the Organization’s internal control over financial reporting and on 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 effectiveness of the Organization’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
October 29, 2021

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	June 30, 2021			June 30, 2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<u>ASSETS</u>						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 2,549,362	\$ 2,390,187	\$ 4,939,549	\$ 2,055,722	\$ 2,474,979	\$ 4,530,701
Receivables:						
Grants	633,203	-	633,203	244,046	-	244,046
Contracts	178,829	-	178,829	71,869	-	71,869
Current portion of pledges, net	-	246,806	246,806	-	168,758	168,758
Other	914,624	67,050	981,674	2,575,991	-	2,575,991
Inventories, net	355,765	-	355,765	336,689	-	336,689
Prepaid expenses and other current assets	117,819	34,274	152,093	114,460	34,274	148,734
Total current assets	4,749,602	2,738,317	7,487,919	5,398,777	2,678,011	8,076,788
PROPERTY AND EQUIPMENT, net	1,838,827	-	1,838,827	1,850,287	-	1,850,287
PLEDGES RECEIVABLE, net of current portion	-	747,865	747,865	-	590,625	590,625
INVESTMENTS IN MARKETABLE SECURITIES	490,757	14,966,031	15,456,788	303,559	12,587,779	12,891,338
Total assets	\$ 7,079,186	\$ 18,452,213	\$ 25,531,399	\$ 7,552,623	\$ 15,856,415	\$ 23,409,038
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES:						
Accounts payable	\$ 1,783,832	\$ -	\$ 1,783,832	\$ 2,063,005	\$ -	\$ 2,063,005
Accrued salaries, wages and other liabilities	1,371,735	-	1,371,735	1,507,017	-	1,507,017
Accrued leave liability	1,007,912	-	1,007,912	898,406	-	898,406
Deferred subscription and other revenue	2,099,127	-	2,099,127	2,171,861	-	2,171,861
Line of credit	537,862	-	537,862	-	-	-
Total current liabilities	6,800,468	-	6,800,468	6,640,289	-	6,640,289
NET ASSETS:						
Operations	(840,842)	6,868,675	6,027,833	154,900	6,493,423	6,648,323
Ohio Bicentennial Commission	-	136,243	136,243	-	121,398	121,398
Endowment fund balance	622,459	11,447,295	12,069,754	276,700	9,241,594	9,518,294
Quasi-Endowment	497,101	-	497,101	480,734	-	480,734
Total net assets	278,718	18,452,213	18,730,931	912,334	15,856,415	16,768,749
Total liabilities and net assets	\$ 7,079,186	\$ 18,452,213	\$ 25,531,399	\$ 7,552,623	\$ 15,856,415	\$ 23,409,038

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT:			
State appropriations:			
Operating subsidies	\$ 12,208,740	\$ -	\$ 12,208,740
Capital projects	3,937,428	-	3,937,428
Government contracts and grants	4,483,537	-	4,483,537
Private contracts and grants	272,569	-	272,569
Contributions	844,354	1,295,707	2,140,061
Contributed materials and services	443,515	-	443,515
Other support	35,529	14,845	50,374
Total support	22,225,672	1,310,552	23,536,224
REVENUE:			
Admissions and parking	102,122	-	102,122
Memberships and subscriptions	279,940	-	279,940
Investment income	26,154	212,255	238,409
Sales and facilities use	148,799	-	148,799
Special events	28,658	-	28,658
Program services income	481,617	-	481,617
Other revenue	362,316	-	362,316
Total revenue	1,429,606	212,255	1,641,861
Net assets released from restriction	1,447,825	(1,447,825)	-
Total support and revenue	25,103,103	74,982	25,178,085
EXPENSES:			
Program expenses:			
Site operations, educational and interpretive programs	13,680,570	-	13,680,570
Contributed materials and services	443,515	-	443,515
State archives and library	1,409,081	-	1,409,081
Historic preservation office	2,545,366	-	2,545,366
Capital projects	3,875,596	-	3,875,596
Support services:			
Management and general	3,457,532	-	3,457,532
Fundraising	575,699	-	575,699
Total expenses	25,987,359	-	25,987,359
Changes in net assets from operations	(884,256)	74,982	(809,274)
OTHER INCOME (EXPENSES):			
Collection items purchased but not capitalized	18,135	-	18,135
Net realized and unrealized gains on investments	232,505	2,520,816	2,753,321
Total other income (expenses)	250,640	2,520,816	2,771,456
Changes in net assets	(633,616)	2,595,798	1,962,182
NET ASSETS, beginning of year	912,334	15,856,415	16,768,749
NET ASSETS, end of year	\$ 278,718	\$ 18,452,213	\$ 18,730,931

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT:			
State appropriations:			
Operating subsidies	\$ 11,238,003	\$ -	\$ 11,238,003
Capital projects	5,899,765	-	5,899,765
Government contracts and grants	5,693,164	-	5,693,164
Private contracts and grants	351,403	-	351,403
Contributions	474,896	1,550,427	2,025,323
Contributed materials and services	1,233,729	-	1,233,729
Total support	24,890,960	1,550,427	26,441,387
REVENUE:			
Admissions and parking	169,577	-	169,577
Memberships and subscriptions	410,284	-	410,284
Investment income	41,367	292,021	333,388
Sales and facilities use	253,379	-	253,379
Special events	187,130	-	187,130
Program services income	543,809	-	543,809
Other revenue	127,138	-	127,138
Total revenue	1,732,684	292,021	2,024,705
Net assets released from restriction	2,194,588	(2,194,588)	-
Total support and revenue	28,818,232	(352,140)	28,466,092
EXPENSES:			
Program expenses:			
Site operations, educational and interpretive programs	13,104,557	-	13,104,557
Contributed materials and services	1,198,200	-	1,198,200
State archives and library	1,619,411	-	1,619,411
Historic preservation office	2,467,126	-	2,467,126
Capital projects	5,803,554	-	5,803,554
Support services:			
Management and general	4,237,757	-	4,237,757
Fundraising	650,940	-	650,940
Total expenses	29,081,545	-	29,081,545
Changes in net assets from operations	(263,313)	(352,140)	(615,453)
OTHER INCOME (EXPENSES):			
Collection items purchased but not capitalized	(40,126)	-	(40,126)
Net realized and unrealized gains on investments	51,524	405,631	457,155
Total other income (expenses)	11,398	405,631	417,029
Changes in net assets	(251,915)	53,491	(198,424)
NET ASSETS, beginning of year	1,164,249	15,802,924	16,967,173
NET ASSETS, end of year	\$ 912,334	\$ 15,856,415	\$ 16,768,749

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Site Operations, Education and Interpretive Programs	State Archives & Library Services	Historic Preservation Office	Contributed Materials and Services	Capital	Total Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES:									
Salaries, wages, and benefits	\$ 7,018,855	\$ 1,249,606	\$ 1,954,497	\$ -	\$ 394,383	\$ 10,617,341	\$ 2,216,006	\$ 495,171	\$ 13,328,518
Professional services	568,606	46,864	69,796	-	35,598	720,864	511,544	15,269	1,247,677
Construction	1,320,499	-	2,254	-	3,073,494	4,396,247	-	-	4,396,247
Site management agreements	1,703,152	-	-	-	-	1,703,152	-	-	1,703,152
Occupancy	1,889,662	53,285	4,618	-	151,916	2,099,481	411,857	8,872	2,520,210
Contributed materials and services	-	-	-	443,515	-	443,515	-	-	443,515
Grants and other allocations	22,652	22,728	430,680	-	-	476,060	-	44,100	520,160
Supplies	784,446	12,425	33,508	-	182,508	1,012,887	33,395	6,447	1,052,729
Travel and development	182,604	12,143	50,013	-	37,697	282,457	235,684	5,840	523,981
Depreciation	190,094	12,030	-	-	-	202,124	49,046	-	251,170
Total functional expenses	\$ 13,680,570	\$ 1,409,081	\$ 2,545,366	\$ 443,515	\$ 3,875,596	\$ 21,954,128	\$ 3,457,532	\$ 575,699	\$ 25,987,359

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Site Operations, Education and Interpretive Programs	State Archives & Library Services	Historic Preservation Office	Contributed Materials and Services	Capital	Total Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES:									
Salaries, wages, and benefits	\$ 6,536,130	\$ 1,404,600	\$ 1,992,503	\$ -	\$ 813,462	\$ 10,746,695	\$ 2,575,574	\$ 565,633	\$ 13,887,902
Professional services	633,794	90,374	125,943	-	152,303	1,002,414	842,545	9,433	1,854,392
Construction	1,338,408	-	-	-	4,509,915	5,848,323	-	-	5,848,323
Site management agreements	1,682,914	-	-	-	-	1,682,914	-	-	1,682,914
Occupancy	1,810,293	60,878	24,243	-	31,152	1,926,566	334,723	26,220	2,287,509
Contributed materials and services	-	-	-	1,198,200	-	1,198,200	-	-	1,198,200
Grants and other allocations	57,206	17,685	253,166	-	-	328,057	-	26,850	354,907
Supplies	629,486	14,564	35,007	-	246,546	925,603	69,380	9,837	1,004,820
Travel and development	217,391	19,900	36,264	-	50,176	323,731	353,875	12,967	690,573
Depreciation	198,935	11,410	-	-	-	210,345	61,660	-	272,005
Total functional expenses	\$ 13,104,557	\$ 1,619,411	\$ 2,467,126	\$ 1,198,200	\$ 5,803,554	\$ 24,192,848	\$ 4,237,757	\$ 650,940	\$ 29,081,545

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,962,182	\$ (198,424)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	251,170	272,005
Bad debt expense	41,402	41,402
Net realized and unrealized (gains) losses on investments	(2,753,321)	(457,155)
(Increase) decrease in operating assets:		
Receivables	821,510	(311,376)
Inventories	(19,076)	(15,128)
Prepaid expenses and other current assets	(3,359)	14,575
Increase (decrease) in operating liabilities:		
Accounts payable	(279,173)	(478,048)
Accrued salaries, wages, and other liabilities	(135,282)	314,859
Accrued leave liability	109,506	106,723
Deferred subscription and other revenue	(72,734)	1,449,460
Total adjustments	(2,039,357)	937,317
Net cash provided by (used in) operating activities	(77,175)	738,893
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds (payments) for purchase or sale of long-term investments	187,871	2,235,381
Payments for the purchase of property and equipment	(239,710)	(103,927)
Net cash provided by (used in) investing activities	(51,839)	2,131,454
CASH FLOWS FROM FINANCING ACTIVITIES:		
Line of credit, net	537,862	-
Net cash provided by financing activities	537,862	-
Net increase in cash and cash equivalents	408,848	2,870,347
CASH AND CASH EQUIVALENTS, beginning of year	4,530,701	1,660,354
CASH AND CASH EQUIVALENTS, end of year	\$ 4,939,549	\$ 4,530,701

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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

The Ohio Historical Society Foundation (the “Foundation”) is a nonprofit corporation established in 1983 to assist the Society in its fundraising activities. The Foundation seeks, accepts and manages private contributions from organizations and individuals who believe in the preservation of Ohio’s historical, natural and archeological heritage. It also applies for certain types of grants, both public and private, that serve the purposes for which the Society and Foundation were organized. Conestoga, a volunteer support group, was established by the Foundation to organize and carry out certain fundraising activities on behalf of the Foundation. The accounts of the Foundation, including Conestoga, are included in these consolidated financial statements.

Principles of Consolidation

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

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

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 financial statements, funds that have similar characteristics have been combined into fund groups according to their nature, purpose and donor-imposed restrictions and/or condition.

OHIO HISTORICAL SOCIETY AND AFFILIATE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncements Adopted

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers, as amended*, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly. The Organization’s contracts with customers include admissions, parking, memberships, sales, and program service fees. These revenue sources are disaggregated on the statement of activities.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Revenue and Support Recognition

The Organization’s specific revenue and support recognition policies are as follows:

Grants

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

State Subsidies

The Organization receives significant subsidies from the State of Ohio. Subsidies appropriated to defray operational costs (mandated under Section 149.3 of the Ohio Revised Code) are recognized as support received without donor restrictions, or in the case of the Ohio Bicentennial Commission, support received with donor restrictions. Subsidies appropriated for capital improvements are recognized as support received without donor restrictions at the time related expenditures are reimbursed. Any excess of receipts over expenditures for State capital improvement appropriations or government grants is recorded as deferred support.

Contributions

Contributions are recognized when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

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

	<u>2021</u>	<u>2020</u>
Volunteer Hours	15,422	44,051
Estimated Value	\$ 439,362	\$ 1,198,200

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Sales, Admissions, Parking and Program Fees

Receipts from the sale of merchandise are recognized as revenue at a point in time, which is when the items are delivered to the customers. Admissions, parking, and program fees receipts are recognized over time, which occurs as the services are provided to the customers. Revenue is recognized upon completion of these distinct performance obligations in the accounting period in which each specific performance obligation is met.

Memberships

All membership receipts, including subscription revenues, are deferred and recognized over time, which is ratably over the membership period. The specific performance obligations include providing membership benefits (access to the Organization locations, member-only events, and discounts) and magazine subscriptions.

Cash and Cash Equivalents

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

Receivables

Receivables primarily represent amounts due to the Organization under government grants, contracts, contributions, or from others. Receivables are presented net of estimated allowances for doubtful accounts. Amounts are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as income when received. As of June 30, 2021, and 2020, there was allowance for doubtful accounts of approximately \$15,000.

Inventories

Inventories consist of supplies and resale merchandise, and are valued at the lower of average cost or net realizable value. Inventories are presented net of an allowance for obsolescence in the amount of approximately \$17,500 as of June 30, 2021 and 2020.

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 revenue and support. 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 statements of financial position. No amounts are included in the 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 5).

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 net assets without donor restriction, unless their use is restricted by explicit donor stipulations.

Fair Value Measurements

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

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- 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, 2021 and 2020.

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, 2021 and 2020.

OHIO HISTORICAL SOCIETY AND AFFILIATE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Organization's management and the Board of Directors.

Net assets with donor restrictions: The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Quasi-Endowment Funds

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

Endowment Funds

The provisions of FASB Accounting Standards Codification 958-205-45 provides guidance on classifying the net assets associated with donor restricted endowment funds held by organizations subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Additional disclosures about endowments for both donor-restricted funds and board designated funds for all organizations, including those that are not yet subject to an enacted version of UPMIFA, are required to enable users to understand its endowment funds' net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies.

Allocation of Functional Expenses

The Organization allocates 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 \$204,671 and \$222,691 for the years ended June 30, 2021 and 2020, 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
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain business activities of the Organization may be subject to Federal income taxes. No provision for federal taxes was necessary for the years ended June 30, 2021 and 2020.

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.

Recently Issued but Not Yet Effective Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which will change the Organization's statement of financial position by adding lease-related assets and liabilities. This may affect compliance with any contractual agreements and loan covenants. This new standard is effective for the Organization's annual reporting periods beginning after December 15, 2021. Early implementation is permitted. Management has not yet determined whether this new standard will have a material effect on its financial statements.

Reclassifications

Certain financial statement items for the year ended June 30, 2020, were reclassified, with no net effect on changes in net assets, to be consistent with the classifications adopted for the year ended June 30, 2021.

Subsequent Events

The Organization has evaluated subsequent events through October 29, 2021, the date on which the financial statements were available to be issued. Management has determined that there were no transactions or events requiring disclosure through the evaluation date.

NOTE 2: RISKS AND UNCERTAINTIES

Uninsured Risk – Cash Deposits

The Organization maintains its cash and cash equivalents balances in financial institutions located throughout Ohio. Deposits are insured by the federal Deposit Insurance Corporation ("FDIC") up to a coverage limit of \$250,000. As a result, the Organization may have balances that exceed the insured limit.

Market Risk – Investments

The accompanying 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 Operating Subsidies

State operating subsidies represented 48% and 39% of the Organization's total support and revenue for the years ended June 30, 2021 and 2020, respectively. Future reductions in these subsidy allocations may have a material impact on the Organization's operations.

OHIO HISTORICAL SOCIETY AND AFFILIATE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: RISKS AND UNCERTAINTIES (CONTINUED)

Pandemic

In March 2020, the World Health Organization recognized the outbreak of COVID-19 disease as a pandemic. Governments worldwide continue to take actions to prevent the spread of the outbreak, including event cancellations and quarantines that have created widespread adverse impacts to the global economy as well as business interruptions. Given the dynamic nature of these circumstances and the duration of business disruption, the future financial impact on the Organization cannot be reasonably estimated at this time.

NOTE 3: PLEDGES RECEIVABLE

Pledges receivable consist of the following as of June 30:

	2021	2020
Amounts due in:		
Less than one year	\$ 286,787	\$ 183,739
One to five years	741,250	769,000
More than five years	165,000	-
Total	<u>1,193,037</u>	<u>952,739</u>
Less: unamortized discount	(183,385)	(178,375)
Less: allowance for doubtful accounts	(14,981)	(14,981)
Contributions receivable, net	<u>\$ 994,671</u>	<u>\$ 759,383</u>

NOTE 4: PROPERTY AND EQUIPMENT

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

	2021	2020
Land	\$ 588,144	\$ 465,866
Buildings	1,256,756	1,256,756
Machinery and equipment	1,823,562	1,788,345
Vehicles	463,419	422,869
Property and equipment, at cost	<u>4,131,881</u>	<u>3,933,836</u>
Less: accumulated depreciation	(2,293,054)	(2,083,549)
Property and equipment, net	<u>\$ 1,838,827</u>	<u>\$ 1,850,287</u>

NOTE 5: HISTORIC COLLECTIONS, EXHIBITS, AND PROPERTIES

The Organization does not capitalize its artifacts, collections and historical properties. The Organization's historical collections consist of approximately 1,900,000 artifacts and properties divided into three broad categories: archaeology, natural history, and history. The archaeological collection contains objects from all prehistoric cultures in the Midwest. The natural history collections preserve representative specimens of mineral, flora fauna and fossils from the region that is now Ohio. The history collection documents the people, events and activities of Ohio's historic period from 1650 to the present. The library contains one of the largest collections of Ohio- related books, microfilm, manuscripts, maps, state and local government records, newspapers, photographs, films, videos, and recordings.

The Organization has a formal collection policy that addresses the acquisition, use and disposition of objects as well as guidelines for making and receiving loans. The Organization had no material deaccessions during the years ended June 30, 2021 and 2020.

OHIO HISTORICAL SOCIETY AND AFFILIATE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: LONG-TERM INVESTMENTS

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

	2021	2020
Stocks and mutual funds	\$ 9,370,987	12,891,338
Bonds	6,085,801	-
Total	\$ 15,456,788	\$ 12,891,338

NOTE 7: NET ASSETS

Net assets were released from donor restrictions during years ended June 30, 2021 and 2020, 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	2021	2020
For specific sites and purposes	\$ 1,447,825	\$ 2,194,588

Endowment fund activity for the year ended June 30, 2021, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 276,700	\$ 9,241,594	\$ 9,518,294
Investment return	363,879	2,327,346	2,691,225
Contributions (reductions)	(18,120)	(121,645)	(139,765)
Endowment net assets, end of year	\$ 622,459	\$ 11,447,295	\$ 12,069,754

Endowment fund activity for the year ended June 30, 2020, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 237,765	\$ 8,414,293	\$ 8,652,058
Investment return	54,742	453,825	508,567
Contributions (reductions)	(15,807)	373,476	357,669
Endowment net assets, end of year	\$ 276,700	\$ 9,241,594	\$ 9,518,294

Interpretation of UPMIFA: The Organization has interpreted the State of Ohio's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor restricted net assets (a) the original value of restricted gifts donated to the endowment, (b) the original value of subsequent donor restricted gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

OHIO HISTORICAL SOCIETY AND AFFILIATE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: NET ASSETS (CONTINUED)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purpose of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as Board designated funds. Under this policy, the endowment assets are invested in a manner that is intended to maximize the total rate of return on investment within prudent parameters of risk of this type and in keeping with liquidity requirements as they relate to life income gifts.

Strategies Employed for Achieving Objectives

The purpose of the Endowment Fund is to facilitate donors' desires to make substantial long-term gifts to the Organization and to develop significant sources of revenue for the Organization. In so doing, the Endowment Fund will provide a secure, long-term source of funds to enhance the ability of the Foundation to meet ongoing and changing needs in both the short and long-term.

Spending Policy and How the Investment Objectives Relate to Spending Policy

To assist in achieving these objectives, the Organization has established a Spending Policy that provides the criteria for annual distributions from the Endowment Fund. The Board will determine annually the amount of funds that will be distributed out of the Endowment Income Funds. Distributions may range from a minimum of 0% to a maximum of 4% of the total of the donor restricted account balance. Within these parameters, the Board may also elect to make no distribution in any given year. The capital or principal amount of any endowed fund shall remain in perpetuity.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related restricted amounts are reported in net assets without donor restrictions. There were no such amounts as of June 30, 2021 and 2020. These types of deficiencies typically result from unfavorable market fluctuations. Endowment Fund principal, unless otherwise directed by the donor, shall not be disbursed except for emergency situations.

NOTE 8: STATE CAPITAL APPROPRIATIONS

As of June 30, 2021, the Organization still has available for future use bond money appropriated to the Ohio Facilities Construction Commission from the state for various capital projects of approximately \$14,700,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

OHIO HISTORICAL SOCIETY AND AFFILIATE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: LINE OF CREDIT

The Organization has entered into a line of credit agreement with a bank that allows the Organization to borrow up to \$750,000. 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, 2021 and 2020.

The Organization has also entered into a fixed rate closed end line of credit agreement with a bank that allows the Organization to borrow up to \$2,500,000 to provide cash flow for the Harding Presidential Center as operation begins while contributions are being received. The agreement is dated October 25, 2019. The line of credit is secured by the financial assets of the Organization and requires monthly interest payments for the first twenty-four months, then principal and interest payments for the next thirty-six months at the interest rate of 5.25%. The balance on the line of credit was \$537,862 as of June 30, 2021. There was no balance on this line of credit as of June 30, 2020.

NOTE 10: OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

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

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

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

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

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

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

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

Funding Policy

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

	<u>State And Local</u>
Statutory Maximum Contribution Rates:	
Employer	14.0%
Employee	10.0%
Actual Contribution Rates:	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	<u>0.0%</u>
Total Employer	14.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Organization's contributions to OPERS for the years ending June 30, 2021 and 2020, were \$1,322,526 and \$1,471,196, respectively.

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, 2021, will not have a material adverse effect on the Organization's financial position and results of activities.

NOTE 12: TRANSFERS

The Foundation receives contributions with and without donor restrictions. The Foundation releases funds from donor restrictions and transfers them to the Society, who in turn spends the funds in accordance with the restrictions, if any.

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: GOVERNMENT ASSISTANCE – PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization entered into a note payable agreement with a bank under the Paycheck Protection Program (“PPP”) of the Coronavirus Aid, Relief, and Economic Security Act of 2020 (“CARES Act”). The unsecured note has a principal amount of \$2,625,270 and was set to mature in April 2022. The note required monthly payments of principal and accrued interest calculated at a fixed rate of 1% beginning in November 2020. The Organization used the loan proceeds for allowable payroll and other costs to qualify for loan forgiveness as specified in the CARES Act. Management has elected to apply ASC 958-605 to the funds received as part of the PPP program as it has high confidence that the Organization is an eligible recipient and meets conditions for forgiveness of the loan. Forgivable expenses incurred and recognized as grant revenue under the program exceeded \$2,625,270 for the year ended June 30, 2020, and therefore, there was no refundable advance liability recorded on the statement of financial position as of June 30, 2020. The loan was forgiven during the year ended June 30, 2021.

NOTE 14: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of June 30, 2021, because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside by the Board for growth and sustainability of the Organization that could be drawn upon if the Board approves the action. The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets:	
Cash and cash equivalents	\$ 4,939,549
Accounts and other receivables	2,040,512
Marketable securities	15,456,788
Financial assets, at year-end	22,436,849
Less: those unavailable for general expenditure within one year due to:	
Donor-imposed purpose restrictions	(17,704,348)
Board designations	(497,101)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,235,400

Liquidity Policy

As part of the Organization's liquidity management, it maintains a sufficient level of operating cash and short-term investments to be available as its general expenditures, liabilities, and other obligations come due.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Ohio Historical Society and Affiliate (doing business as “Ohio History Connection” and referred to as the “Organization”), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (the “financial statements”), and have issued our report thereon dated October 29, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
October 29, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited the Ohio Historical Society and Affiliate's (doing business as "Ohio History Connection" and referred to as the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. 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*.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
October 29, 2021

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Federal Disbursements	Amounts Passed Through to Subrecipients
U.S. National Archives and Records Administration			
National Historical Publications and Records Commission:			
Ohio Historical Records Advisory Board Planning (2020)	89.003	\$ 5,286	\$ -
Ohio Historical Records Advisory Board Planning (2021)	89.003	22,091	-
Total National Archives and Records Administration:		27,377	-
Institute of Museum and Library Services			
Museums Empowerment Grant	45.312	56,611	-
Unvarnished Grant Partnership	45.312	4,000	-
Subtotal:		60,611	-
LSTA CARES	45.310	3,000	-
ENACT Grant II	45.301	83,543	-
Total Institute of Museum and Library Services:		147,154	-
U.S. Department of the Interior			
National Park Service			
National Maritime Heritage	15.955	17,392	-
NPS Paul Bruhn Revitalization Grants	15.904	21,818	-
NPS Hopewell - To Support World Heritage & Outreach	15.954	17,068	-
NAGPRA Collections Data and Online Research Portal	15.922	38,111	-
NPS Save America's Treasures	15.929	25,256	-
OEC Grant - Zoar	15.939	6,200	-
Subtotal:		125,845	-
Historic Preservation Fund Grants-in-Aid	15.904	1,660,924	137,997
Total U.S. Department of the Interior:		1,786,769	137,997
National and Community Service			
AmeriCorps - The Ohio History Services Corps (2020)	94.006	16,165	-
AmeriCorps - The Ohio History Services Corps (2021)	94.006	143,075	-
Total Corporation for National and Community Service:		159,240	-
U.S. Department of Education			
Governor's Emergency Education Relief Fund	84.425C	127,810	-
Remote EDX	84.425D	1,323	-
Total U.S. Department of Education:		129,133	-
National Endowment for the Humanities			
NEH Ohio Humanities NAAMCC CARES	45.129	4,934	-
NEH CARES	45.129	292,560	-
NDNP 2018-20 Grant	45.129	33,334	-
Total National Endowment for Humanities:		330,828	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 2,580,501	\$ 137,997

See notes to the schedule of expenditures of federal awards.

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1: BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activities of the Ohio Historical Society and Affiliate (the "Organization") under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the Organization's operations, it is not intended to and does not present its financial position, changes in net assets, or cash flows.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: PASS-THROUGH TO SUBRECIPIENTS

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

<u>Program Title and CFDA #</u>	<u>Amount</u>
Historic Preservation Fund Grants-in-Aid (CFDA #15.904)	\$ 137,997

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

1. SUMMARY OF AUDITOR'S RESULTS
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<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Were there any material weakness identified?	No
• Were there any significant deficiency conditions identified?	No
Was there non-compliance material to the financial statements noted?	No

<i>Federal Awards</i>	
Internal control over major federal programs:	
• Were there any material weaknesses identified?	No
• Were there any significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs: CFDA numbers:	15.904 – Historic Preservation Funds Grant-in-Aid
Dollar threshold used to distinguish between type A and type B programs:	Type A: > \$750,000 Type B: All others
Auditee qualifies as low risk?	Yes

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

None were noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None were noted.

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021

	Ohio Historical Society			Ohio Historical Society Foundation		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<u>ASSETS</u>						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 2,549,362	\$ 136,243	\$ 2,685,605	\$ -	\$ 2,253,944	\$ 2,253,944
Receivables:						
Grants	633,203	-	633,203	-	-	-
Contracts	178,829	-	178,829	-	-	-
Current portion of pledges, net	-	-	-	-	246,806	246,806
Other	1,651,305	-	1,651,305	3,771,105	67,050	3,838,155
Inventories, net	355,765	-	355,765	-	-	-
Prepaid expenses and other current assets	117,819	-	117,819	-	34,274	34,274
Total current assets	5,486,283	136,243	5,622,526	3,771,105	2,602,074	6,373,179
PROPERTY AND EQUIPMENT, net	1,722,827	-	1,722,827	116,000	-	116,000
PLEDGES RECEIVABLE, net of current portion	-	-	-	-	747,865	747,865
INVESTMENTS IN MARKETABLE SECURITIES	-	-	-	490,757	14,966,031	15,456,788
Total assets	\$ 7,209,110	\$ 136,243	\$ 7,345,353	\$ 4,377,862	\$ 18,315,970	\$ 22,693,832
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES:						
Accounts payable	\$ 5,626,470	\$ -	\$ 5,626,470	\$ 665,148	\$ -	\$ 665,148
Accrued salaries, wages, and other liabilities	1,371,735	-	1,371,735	-	-	-
Accrued leave liability	1,007,912	-	1,007,912	-	-	-
Deferred subscription and other revenue	2,099,127	-	2,099,127	-	-	-
Line of credit	-	-	-	537,862	-	537,862
Total current liabilities	10,105,244	-	10,105,244	1,203,010	-	1,203,010
NET ASSETS:						
Operations	(2,896,134)	-	(2,896,134)	2,055,292	6,868,675	8,923,967
Ohio Bicentennial Commission	-	136,243	136,243	-	-	-
Endowment fund balance	-	-	-	622,459	11,447,295	12,069,754
Quasi-Endowment	-	-	-	497,101	-	497,101
Total net assets	(2,896,134)	136,243	(2,759,891)	3,174,852	18,315,970	21,490,822
Total liabilities and net assets	\$ 7,209,110	\$ 136,243	\$ 7,345,353	\$ 4,377,862	\$ 18,315,970	\$ 22,693,832

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021

	Total			Intercompany Adjustments		Consolidated Total		
	Without Donor Restriction	With Donor Restriction	Total	OHS	OHSF	Without Donor Restriction	With Donor Restriction	Total
<u>ASSETS</u>								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 2,549,362	\$ 2,390,187	\$ 4,939,549	\$ -	\$ -	\$ 2,549,362	\$ 2,390,187	\$ 4,939,549
Receivables:								
Grants	633,203	-	633,203	-	-	633,203	-	633,203
Contracts	178,829	-	178,829	-	-	178,829	-	178,829
Current portion of pledges, net	-	246,806	246,806	-	-	-	246,806	246,806
Other	5,422,410	67,050	5,489,460	(669,631)	(3,838,155)	914,624	67,050	981,674
Inventories, net	355,765	-	355,765	-	-	355,765	-	355,765
Prepaid expenses and other current assets	117,819	34,274	152,093	-	-	117,819	34,274	152,093
Total current assets	9,257,388	2,738,317	11,995,705	(669,631)	(3,838,155)	4,749,602	2,738,317	7,487,919
PROPERTY AND EQUIPMENT, net	1,838,827	-	1,838,827	-	-	1,838,827	-	1,838,827
PLEDGES RECEIVABLE, net of current portion	-	747,865	747,865	-	-	-	747,865	747,865
INVESTMENTS IN MARKETABLE SECURITIES	490,757	14,966,031	15,456,788	-	-	490,757	14,966,031	15,456,788
Total assets	\$ 11,586,972	\$ 18,452,213	\$ 30,039,185	\$ (669,631)	\$ (3,838,155)	\$ 7,079,186	\$ 18,452,213	\$ 25,531,399
<u>LIABILITIES AND NET ASSETS</u>								
CURRENT LIABILITIES:								
Accounts payable	\$ 6,291,618	\$ -	\$ 6,291,618	\$ (3,838,155)	\$ (669,631)	\$ 1,783,832	\$ -	\$ 1,783,832
Accrued salaries, wages, and other liabilities	1,371,735	-	1,371,735	-	-	1,371,735	-	1,371,735
Accrued leave liability	1,007,912	-	1,007,912	-	-	1,007,912	-	1,007,912
Deferred subscription and other revenue	2,099,127	-	2,099,127	-	-	2,099,127	-	2,099,127
Line of credit	537,862	-	537,862	-	-	537,862	-	537,862
Total current liabilities	11,308,254	-	11,308,254	(3,838,155)	(669,631)	6,800,468	-	6,800,468
NET ASSETS:								
Operations	(840,842)	6,868,675	6,027,833	-	-	(840,842)	6,868,675	6,027,833
Ohio Bicentennial Commission	-	136,243	136,243	-	-	-	136,243	136,243
Endowment fund balance	622,459	11,447,295	12,069,754	-	-	622,459	11,447,295	12,069,754
Quasi-Endowment	497,101	-	497,101	-	-	497,101	-	497,101
Total net assets	278,718	18,452,213	18,730,931	-	-	278,718	18,452,213	18,730,931
Total liabilities and net assets	\$ 11,586,972	\$ 18,452,213	\$ 30,039,185	\$ (3,838,155)	\$ (669,631)	\$ 7,079,186	\$ 18,452,213	\$ 25,531,399

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020

	Ohio Historical Society			Ohio Historical Society Foundation		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<u>ASSETS</u>						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 2,034,701	\$ 121,398	\$ 2,156,099	\$ 21,021	\$ 2,353,581	\$ 2,374,602
Receivables:						
Grants	244,046	-	244,046	-	-	-
Contracts	71,869	-	71,869	-	-	-
Contributions, net	-	-	-	-	168,758	168,758
Other	2,575,991	-	2,575,991	3,900,815	-	3,900,815
Inventories, net	336,689	-	336,689	-	-	-
Prepaid expenses and other current assets	114,460	-	114,460	-	34,274	34,274
Total current assets	5,377,756	121,398	5,499,154	3,921,836	2,556,613	6,478,449
PROPERTY AND EQUIPMENT, net	1,734,287	-	1,734,287	116,000	-	116,000
PLEDGES RECEIVABLE, net of current portion	-	-	-	-	590,625	590,625
INVESTMENTS IN MARKETABLE SECURITIES	-	-	-	303,559	12,587,779	12,891,338
Total assets	\$ 7,112,043	\$ 121,398	\$ 7,233,441	\$ 4,341,395	\$ 15,735,017	\$ 20,076,412
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES:						
Accounts payable	\$ 5,488,684	\$ -	\$ 5,488,684	\$ 475,136	\$ -	\$ 475,136
Accrued salaries, wages and other liabilities	1,507,017	-	1,507,017	-	-	-
Accrued leave liability	898,406	-	898,406	-	-	-
Deferred subscription and other revenue	2,171,861	-	2,171,861	-	-	-
Total current liabilities	10,065,968	-	10,065,968	475,136	-	475,136
NET ASSETS:						
Operations	(2,953,925)	-	(2,953,925)	3,108,825	6,493,423	9,602,248
Ohio Bicentennial Commission	-	121,398	121,398	-	-	-
Endowment fund balance	-	-	-	276,700	9,241,594	9,518,294
Quasi-Endowment	-	-	-	480,734	-	480,734
Total net assets	(2,953,925)	121,398	(2,832,527)	3,866,259	15,735,017	19,601,276
Total liabilities and net assets	\$ 7,112,043	\$ 121,398	\$ 7,233,441	\$ 4,341,395	\$ 15,735,017	\$ 20,076,412

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020

	Total			Intercompany Adjustments		Consolidated Total		
	Without Donor Restriction	With Donor Restriction	Total	OHS	OHSF	Without Donor Restriction	With Donor Restriction	Total
<u>ASSETS</u>								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 2,055,722	\$ 2,474,979	\$ 4,530,701	\$ -	\$ -	\$ 2,055,722	\$ 2,474,979	\$ 4,530,701
Receivables:								
Grants	244,046	-	244,046	-	-	244,046	-	244,046
Contracts	71,869	-	71,869	-	-	71,869	-	71,869
Contributions, net	-	168,758	168,758	-	-	-	168,758	168,758
Other	6,476,806	-	6,476,806	-	(3,900,815)	2,575,991	-	2,575,991
Inventories, net	336,689	-	336,689	-	-	336,689	-	336,689
Prepaid expenses and other current assets	114,460	34,274	148,734	-	-	114,460	34,274	148,734
Total current assets	9,299,592	2,678,011	11,977,603	-	(3,900,815)	5,398,777	2,678,011	8,076,788
PROPERTY AND EQUIPMENT, net	1,850,287	-	1,850,287	-	-	1,850,287	-	1,850,287
PLEDGES RECEIVABLE, net of current portion	-	590,625	590,625	-	-	-	590,625	590,625
LONG-TERM INVESTMENTS	303,559	12,587,779	12,891,338	-	-	303,559	12,587,779	12,891,338
Total assets	\$ 11,453,438	\$ 15,856,415	\$ 27,309,853	\$ -	\$ (3,900,815)	\$ 7,552,623	\$ 15,856,415	\$ 23,409,038
<u>LIABILITIES AND NET ASSETS</u>								
CURRENT LIABILITIES:								
Accounts payable	\$ 5,963,820	\$ -	\$ 5,963,820	\$ (3,900,815)	\$ -	\$ 2,063,005	\$ -	\$ 2,063,005
Accrued salaries, wages and other liabilities	1,507,017	-	1,507,017	-	-	1,507,017	-	1,507,017
Accrued leave liability	898,406	-	898,406	-	-	898,406	-	898,406
Deferred subscription and other revenue	2,171,861	-	2,171,861	-	-	2,171,861	-	2,171,861
Total current liabilities	10,541,104	-	10,541,104	(3,900,815)	-	6,640,289	-	6,640,289
NET ASSETS:								
Operations	154,900	6,493,423	6,648,323	-	-	154,900	6,493,423	6,648,323
Ohio Bicentennial Commission	-	121,398	121,398	-	-	-	121,398	121,398
Endowment fund balance	276,700	9,241,594	9,518,294	-	-	276,700	9,241,594	9,518,294
Quasi-Endowment	480,734	-	480,734	-	-	480,734	-	480,734
Total net assets	912,334	15,856,415	16,768,749	-	-	912,334	15,856,415	16,768,749
Total liabilities and net assets	\$ 11,453,438	\$ 15,856,415	\$ 27,309,853	\$ (3,900,815)	\$ -	\$ 7,552,623	\$ 15,856,415	\$ 23,409,038

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Ohio Historical Society			Ohio Historical Society Foundation		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT:						
State appropriations:						
Operating subsidies	\$ 12,208,740	\$ -	\$ 12,208,740	\$ -	\$ -	\$ -
Capital projects	3,937,428	-	3,937,428	-	-	-
Government contracts and grants	4,483,537	-	4,483,537	-	-	-
Private contracts and grants	272,569	-	272,569	-	-	-
Contributions	-	-	-	844,354	1,295,707	2,140,061
Contributed materials and services	443,515	-	443,515	-	-	-
Other support	35,529	14,845	50,374	-	-	-
Total support	21,381,318	14,845	21,396,163	844,354	1,295,707	2,140,061
REVENUE:						
Admissions and parking	102,122	-	102,122	-	-	-
Memberships and subscriptions	279,940	-	279,940	-	-	-
Investment income	-	-	-	26,154	212,255	238,409
Sales and facilities use	148,799	-	148,799	-	-	-
Special events	28,658	-	28,658	-	-	-
Program services income	481,617	-	481,617	-	-	-
Other revenue	362,316	-	362,316	-	-	-
Total revenue	1,403,452	-	1,403,452	26,154	212,255	238,409
Net assets released from restrictions	-	-	-	1,447,825	(1,447,825)	-
Total support and revenue	22,784,770	14,845	22,799,615	2,318,333	60,137	2,378,470
EXPENSES:						
Program expenses:						
Site operations, educational and interpretive programs	13,680,570	-	13,680,570	-	-	-
Contributed materials and services	443,515	-	443,515	-	-	-
State archives and library	1,409,081	-	1,409,081	-	-	-
Historic preservation office	2,545,366	-	2,545,366	-	-	-
Capital projects	3,875,596	-	3,875,596	-	-	-
Support services:						
Management and general	3,434,453	-	3,434,453	23,079	-	23,079
Fundraising	575,699	-	575,699	-	-	-
Total expenses	25,964,280	-	25,964,280	23,079	-	23,079
Changes in net assets from operations	(3,179,510)	14,845	(3,164,665)	2,295,254	60,137	2,355,391
OTHER INCOME (EXPENSES):						
Collection items purchased but not capitalized	18,135	-	18,135	-	-	-
Net realized and unrealized gains (losses) on investments	-	-	-	232,505	2,520,816	2,753,321
Transfer of net asset restrictions	-	-	-	-	-	-
Changes in net assets before transfer of fund restrictions	(3,161,375)	14,845	(3,146,530)	2,527,759	2,580,953	5,108,712
Intercompany transfers	3,219,166	-	3,219,166	(3,219,166)	-	(3,219,166)
Change in net assets	57,791	14,845	72,636	(691,407)	2,580,953	1,889,546
NET ASSETS, beginning of year	(2,953,925)	121,398	(2,832,527)	3,866,259	15,735,017	19,601,276
NET ASSETS, end of year	\$ (2,896,134)	\$ 136,243	\$ (2,759,891)	\$ 3,174,852	\$ 18,315,970	\$ 21,490,822

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Total			Intercompany Adjustments		Consolidated Total		
	Without Donor Restriction	With Donor Restriction	Total	OHS	OHSF	Without Donor Restriction	With Donor Restriction	Total
SUPPORT:								
State appropriations:								
Operating subsidies	\$ 12,208,740	\$ -	\$ 12,208,740	\$ -	\$ -	\$ 12,208,740	\$ -	\$ 12,208,740
Capital projects	3,937,428	-	3,937,428	-	-	3,937,428	-	3,937,428
Government contracts and grants	4,483,537	-	4,483,537	-	-	4,483,537	-	4,483,537
Private contracts and grants	272,569	-	272,569	-	-	272,569	-	272,569
Contributions	844,354	1,295,707	2,140,061	-	-	844,354	1,295,707	2,140,061
Contributed materials and services	443,515	-	443,515	-	-	443,515	-	443,515
Other support	35,529	14,845	50,374	-	-	35,529	14,845	50,374
Total support	22,225,672	1,310,552	23,536,224	-	-	22,225,672	1,310,552	23,536,224
REVENUE:								
Admissions and parking	102,122	-	102,122	-	-	102,122	-	102,122
Memberships and subscriptions	279,940	-	279,940	-	-	279,940	-	279,940
Investment income	26,154	212,255	238,409	-	-	26,154	212,255	238,409
Sales and facilities use	148,799	-	148,799	-	-	148,799	-	148,799
Special events	28,658	-	28,658	-	-	28,658	-	28,658
Program services income	481,617	-	481,617	-	-	481,617	-	481,617
Other revenue	362,316	-	362,316	-	-	362,316	-	362,316
Total revenue	1,429,606	212,255	1,641,861	-	-	1,429,606	212,255	1,641,861
Net assets released from restrictions	1,447,825	(1,447,825)	-	-	-	1,447,825	(1,447,825)	-
Total support and revenue	25,103,103	74,982	25,178,085	-	-	25,103,103	74,982	25,178,085
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	13,680,570	-	13,680,570	-	-	13,680,570	-	13,680,570
Contributed materials and services	443,515	-	443,515	-	-	443,515	-	443,515
State archives and library	1,409,081	-	1,409,081	-	-	1,409,081	-	1,409,081
Historic preservation office	2,545,366	-	2,545,366	-	-	2,545,366	-	2,545,366
Capital projects	3,875,596	-	3,875,596	-	-	3,875,596	-	3,875,596
Support services:								
Management and general	3,457,532	-	3,457,532	-	-	3,457,532	-	3,457,532
Fundraising	575,699	-	575,699	-	-	575,699	-	575,699
Total expenses	25,987,359	-	25,987,359	-	-	25,987,359	-	25,987,359
Changes in net assets from operations	(884,256)	74,982	(809,274)	-	-	(884,256)	74,982	(809,274)
Collection items purchased but not capitalized	18,135	-	18,135	-	-	18,135	-	18,135
Net realized and unrealized gains (losses) on investments	232,505	2,520,816	2,753,321	-	-	232,505	2,520,816	2,753,321
Transfer of net asset restrictions	-	-	-	-	-	-	-	-
Changes in net assets before transfers	(633,616)	2,595,798	1,962,182	-	-	(633,616)	2,595,798	1,962,182
Intercompany transfers	-	-	-	-	-	-	-	-
Change in net assets	(633,616)	2,595,798	1,962,182	-	-	(633,616)	2,595,798	1,962,182
NET ASSETS, beginning of year	912,334	15,856,415	16,768,749	-	-	912,334	15,856,415	16,768,749
NET ASSETS, end of year	\$ 278,718	\$ 18,452,213	\$ 18,730,931	\$ -	\$ -	\$ 278,718	\$ 18,452,213	\$ 18,730,931

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	Ohio Historical Society			Ohio Historical Society Foundation		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT:						
State appropriations:						
Operating subsidies	\$ 11,238,003	\$ -	\$ 11,238,003	\$ -	\$ -	\$ -
Capital projects	5,899,765	-	5,899,765	-	-	-
Government contracts and grants	5,693,164	-	5,693,164	-	-	-
Private contracts and grants	351,403	-	351,403	-	-	-
Contributions	250	-	250	474,646	1,550,427	2,025,073
Contributed materials and services	1,233,729	-	1,233,729	-	-	-
Other support	-	-	-	-	-	-
Total support	24,416,314	-	24,416,314	474,646	1,550,427	2,025,073
REVENUE:						
Admissions and parking	169,577	-	169,577	-	-	-
Memberships and subscriptions	410,284	-	410,284	-	-	-
Investment income	2,982	-	2,982	38,385	292,021	330,406
Sales and facilities use	253,379	-	253,379	-	-	-
Special events	187,130	-	187,130	-	-	-
Program services income	543,809	-	543,809	-	-	-
Other revenue	127,138	-	127,138	-	-	-
Total revenue	1,694,299	-	1,694,299	38,385	292,021	330,406
Net assets released from restrictions	-	-	-	2,194,588	(2,194,588)	-
Total support and revenue	26,110,613	-	26,110,613	2,707,619	(352,140)	2,355,479
EXPENSES:						
Program expenses:						
Site operations, educational and interpretive programs	13,104,557	-	13,104,557	-	-	-
Contributed materials and services	1,198,200	-	1,198,200	-	-	-
State archives and library	1,619,411	-	1,619,411	-	-	-
Historic preservation office	2,467,126	-	2,467,126	-	-	-
Capital projects	5,803,554	-	5,803,554	-	-	-
Support services:						
Management and general	4,168,851	-	4,168,851	68,906	-	68,906
Fundraising	650,940	-	650,940	-	-	-
Total expenses	29,012,639	-	29,012,639	68,906	-	68,906
Changes in net assets from operations	(2,902,026)	-	(2,902,026)	2,638,713	(352,140)	2,286,573
OTHER INCOME (EXPENSES):						
Collection items purchased but not capitalized	(40,126)	-	(40,126)	-	-	-
Net realized and unrealized gains (losses) on investments	12,375	-	12,375	39,149	405,631	444,780
Changes in net assets before transfer of fund restrictions	(2,929,777)	-	(2,929,777)	2,677,862	53,491	2,731,353
Intercompany transfers	3,060,971	-	3,060,971	(3,060,971)	-	(3,060,971)
Change in net assets	131,194	-	131,194	(383,109)	53,491	(329,618)
NET ASSETS, beginning of year	(3,085,119)	121,398	(2,963,721)	4,249,368	15,681,526	19,930,894
NET ASSETS, end of year	\$ (2,953,925)	\$ 121,398	\$ (2,832,527)	\$ 3,866,259	\$ 15,735,017	\$ 19,601,276

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	Total			Intercompany Adjustments		Consolidated Total		
	Without Donor Restriction	With Donor Restriction	Total	OHS	OHSF	Without Donor Restriction	With Donor Restriction	Total
SUPPORT:								
State appropriations:								
Operating subsidies	\$ 11,238,003	\$ -	\$ 11,238,003	\$ -	\$ -	\$ 11,238,003	\$ -	\$ 11,238,003
Capital projects	5,899,765	-	5,899,765	-	-	5,899,765	-	5,899,765
Government contracts and grants	5,693,164	-	5,693,164	-	-	5,693,164	-	5,693,164
Private contracts and grants	351,403	-	351,403	-	-	351,403	-	351,403
Contributions	474,896	1,550,427	2,025,323	-	-	474,896	1,550,427	2,025,323
Contributed materials and services	1,233,729	-	1,233,729	-	-	1,233,729	-	1,233,729
Other support	-	-	-	-	-	-	-	-
Total support	24,890,960	1,550,427	26,441,387	-	-	24,890,960	1,550,427	26,441,387
REVENUE:								
Admissions and parking	169,577	-	169,577	-	-	169,577	-	169,577
Memberships and subscriptions	410,284	-	410,284	-	-	410,284	-	410,284
Investment income	41,367	292,021	333,388	-	-	41,367	292,021	333,388
Sales and facilities use	253,379	-	253,379	-	-	253,379	-	253,379
Special events	187,130	-	187,130	-	-	187,130	-	187,130
Program services income	543,809	-	543,809	-	-	543,809	-	543,809
Other revenue	127,138	-	127,138	-	-	127,138	-	127,138
Total revenue	1,732,684	292,021	2,024,705	-	-	1,732,684	292,021	2,024,705
Net assets released from restrictions	2,194,588	(2,194,588)	-	-	-	2,194,588	(2,194,588)	-
Total support and revenue	28,818,232	(352,140)	28,466,092	-	-	28,818,232	(352,140)	28,466,092
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	13,104,557	-	13,104,557	-	-	13,104,557	-	13,104,557
Contributed materials and services	1,198,200	-	1,198,200	-	-	1,198,200	-	1,198,200
State archives and library	1,619,411	-	1,619,411	-	-	1,619,411	-	1,619,411
Historic preservation office	2,467,126	-	2,467,126	-	-	2,467,126	-	2,467,126
Capital projects	5,803,554	-	5,803,554	-	-	5,803,554	-	5,803,554
Support services:								
Management and general	4,237,757	-	4,237,757	-	-	4,237,757	-	4,237,757
Fundraising	650,940	-	650,940	-	-	650,940	-	650,940
Total expenses	29,081,545	-	29,081,545	-	-	29,081,545	-	29,081,545
Changes in net assets from operations	(263,313)	(352,140)	(615,453)	-	-	(263,313)	(352,140)	(615,453)
Collection items purchased but not capitalized	(40,126)	-	(40,126)	-	-	(40,126)	-	(40,126)
Net realized and unrealized gains (losses) on investments	51,524	405,631	457,155	-	-	51,524	405,631	457,155
Changes in net assets before transfers	(251,915)	53,491	(198,424)	-	-	(251,915)	53,491	(198,424)
Intercompany transfers	-	-	-	-	-	-	-	-
Change in net assets	(251,915)	53,491	(198,424)	-	-	(251,915)	53,491	(198,424)
NET ASSETS, beginning of year	1,164,249	15,802,924	16,967,173	-	-	1,164,249	15,802,924	16,967,173
NET ASSETS, end of year	\$ 912,334	\$ 15,856,415	\$ 16,768,749	\$ -	\$ -	\$ 912,334	\$ 15,856,415	\$ 16,768,749

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

SUPPLEMENTAL SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES
FOR COLUMBUS AND OTHER OHIO DIVISIONS
FOR THE YEAR ENDED JUNE 30, 2021

	Columbus	Ohio Divisions	Total
SUPPORT:			
State appropriations:			
Operating subsidies	\$ 2,146,717	\$ 10,062,023	\$ 12,208,740
Capital projects	-	3,937,428	3,937,428
Government contracts and grants	896,596	3,586,941	4,483,537
Private contracts and grants	34,412	238,157	272,569
Contributions	180,593	1,959,468	2,140,061
Other support	487,351	6,538	493,889
Total support	<u>3,745,669</u>	<u>19,790,555</u>	<u>23,536,224</u>
REVENUE:			
Admissions and parking	2,201	99,921	102,122
Memberships and subscriptions	-	279,940	279,940
Investment income	-	238,409	238,409
Sales and facilities use	38,172	110,627	148,799
Special events	26,679	1,979	28,658
Program services income	154,960	326,657	481,617
Other revenue	22,044	340,272	362,316
Total revenue	<u>244,056</u>	<u>1,397,805</u>	<u>1,641,861</u>
Total support and revenue	<u>3,989,725</u>	<u>21,188,360</u>	<u>25,178,085</u>
EXPENSES:			
Salary and wages	3,704,396	6,152,068	9,856,464
Fringe benefits	1,126,180	1,951,488	3,077,668
Professional services	323,972	888,107	1,212,079
Site management agreements	66,750	1,636,402	1,703,152
Construction services	316,370	4,943,812	5,260,182
Donated materials and services	72,328	385,884	458,212
Materials and supplies	307,133	206,550	513,683
Printing and publications	10,401	243,929	254,330
Shipping	7,200	55,770	62,970
Utilities	417,329	294,326	711,655
Insurance	-	302,446	302,446
Taxes and assessments	(3,932)	25,876	21,944
Maintenance and repairs	277,775	691,867	969,642
Lease expenses	21,857	22,161	44,018
Equipment purchases	48,222	198,142	246,364
Collection acquisitions	(18,135)	-	(18,135)
Food and beverage	6,540	13,130	19,670
Marketing	2,237	202,212	204,449
Travel	32,337	50,044	82,381
Professional development	20,119	57,262	77,381
Grants and other allocations	190,680	329,480	520,160
Other expenses	72,318	65,021	137,339
Depreciation	76,025	175,145	251,170
Total expenses	<u>7,078,102</u>	<u>18,891,122</u>	<u>25,969,224</u>
NON-OPERATING REVENUE:			
Realized gain	-	32,342	32,342
Unrealized gain	-	2,720,979	2,720,979
Total other income (expenses)	<u>-</u>	<u>2,753,321</u>	<u>2,753,321</u>
Changes in net assets	(3,088,377)	5,050,559	1,962,182
CHANGES IN NET ASSETS AFTER INDIRECT COST ALLOCATION:			
Indirect cost rate for Fiscal Year 2021 (30.52%)	1,456,068	(1,456,068)	-
Total expenses	<u>8,534,170</u>	<u>17,435,054</u>	<u>25,969,224</u>
Changes in net assets	<u>\$ (4,544,445)</u>	<u>\$ 6,506,627</u>	<u>\$ 1,962,182</u>

See independent auditor's report on the supplemental information

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

SUPPLEMENTAL SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES
FOR COLUMBUS AND OTHER OHIO DIVISIONS
FOR THE YEAR ENDED JUNE 30, 2020

	Columbus	Ohio Divisions	Total
SUPPORT:			
State appropriations:			
Operating subsidies	\$ 2,374,484	\$ 8,863,519	\$ 11,238,003
Capital projects	-	5,899,765	5,899,765
Government contracts and grants	563,773	5,129,391	5,693,164
Private contracts and grants	48,291	303,112	351,403
Contributions	679,427	1,345,896	2,025,323
Other support	1,519,603	(285,874)	1,233,729
Total support	<u>5,185,578</u>	<u>21,255,809</u>	<u>26,441,387</u>
REVENUE:			
Admissions and parking	159,286	10,291	169,577
Memberships and subscriptions	-	410,284	410,284
Investment income	-	333,388	333,388
Sales and facilities use	167,325	86,054	253,379
Special events	176,388	10,742	187,130
Program services income	210,923	332,886	543,809
Other revenue	13,562	113,576	127,138
Total revenue	<u>727,484</u>	<u>1,297,221</u>	<u>2,024,705</u>
Total support and revenue	<u>5,913,062</u>	<u>22,553,030</u>	<u>28,466,092</u>
EXPENSES:			
Salary and wages	2,281,321	7,879,032	10,160,353
Fringe benefits	674,572	2,428,780	3,103,352
Professional services	388,534	1,061,157	1,449,691
Site management agreements	-	1,682,914	1,682,914
Construction services	168,785	7,069,388	7,238,173
Donated materials and services	1,017,856	185,513	1,203,369
Materials and supplies	279,741	233,403	513,144
Printing and publications	9,969	217,782	227,751
Shipping	4,061	55,823	59,884
Utilities	414,215	229,327	643,542
Insurance	-	264,781	264,781
Taxes and assessments	3,932	36,584	40,516
Maintenance and repairs	309,464	648,413	957,877
Lease expenses	31,505	33,232	64,737
Equipment purchases	12,582	113,688	126,270
Collection acquisitions	35,961	(80)	35,881
Food and beverage	45,504	81,304	126,808
Marketing	3,495	219,196	222,691
Travel	48,704	115,934	164,638
Professional development	16,845	86,927	103,772
Grants and other allocations	50,096	304,811	354,907
Other expenses	22,678	81,937	104,615
Depreciation	70,760	201,245	272,005
Total expenses	<u>5,890,580</u>	<u>23,231,091</u>	<u>29,121,671</u>
NON-OPERATING REVENUE:			
Realized gain	-	13,717	13,717
Unrealized gain	-	443,438	443,438
Total other income (expenses)	<u>-</u>	<u>457,155</u>	<u>457,155</u>
Changes in net assets	22,482	(220,906)	(198,424)
CHANGES IN NET ASSETS AFTER INDIRECT COST ALLOCATION:			
Indirect cost rate for Fiscal Year 2020 (32.0%)	1,886,753	(1,886,753)	-
Total expenses	<u>7,777,333</u>	<u>21,344,338</u>	<u>29,121,671</u>
Changes in net assets	<u>\$ (1,864,271)</u>	<u>\$ 1,665,847</u>	<u>\$ (198,424)</u>

See independent auditor's report on the supplemental information

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OHIO AUDITOR OF STATE KEITH FABER



OHIO HISTORY CONNECTION

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/30/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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