

The Ohio Historical Society and Affiliate

*Consolidated Audited Financial Statements
For the years ended
June 30, 2007 and 2006*



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of The Ohio Historical Society & Affiliate, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2006 through June 30, 2007. 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 & Affiliate is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 31, 2007

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We're Ready For Your Future

March 28, 2008

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated statements of financial position of The Ohio Historical Society and Affiliate (the "Organization") as of June 30, 2007 and 2006 and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our report dated August 24, 2006, we expressed an opinion that, except for the Organization's practice of charging the acquisition cost of property and equipment to expense when purchased prior to June 30, 1997, the June 30, 2006 financial statements presented fairly, in all material respects, the Organization's financial position and the changes in net assets and its cash flows in conformity with accounting principles generally accepted in the United States of America. As described in Note 12 to the financial statements, the Organization has changed its method of accounting for such property and equipment and restated its June 30, 2006 financial statements. Accordingly, our present opinion on the June 30, 2006 financial statements, as presented herein, is different from that expressed in our previous report.

In our opinion, the consolidated financial statements referred to above and as restated, present fairly, in all material respects, the financial position of The Ohio Historical Society and Affiliate as of June 30, 2007 and 2006 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2008 on our consideration of The Ohio Historical Society and Affiliate's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of the Organization taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

The accompanying consolidating financial statements as of and for the years ended June 30, 2007 and 2006 are presented for the purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and in our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.



Rea & Associates, Inc.

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30, 2007 AND 2006

	June 30, 2007			June 30, 2006				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 1,864,727	\$ 313,433	\$ 3,688	\$ 2,181,848	\$ 2,543,371	\$ 373,330	\$ 405,682	\$ 3,322,383
Receivables:								
Grants	344,595	-	-	344,595	482,220	-	-	482,220
Contracts	1,053,552	-	-	1,053,552	2,254,250	-	-	2,254,250
Contributions	-	67,328	-	67,328	-	147,744	-	147,744
Other	100,928	728	-	101,656	27,427	-	-	27,427
Inventory, net of allowance of \$65,500	449,662	-	-	449,662	489,857	-	-	489,857
Accrued interest receivable and other assets	333,935	34,275	-	368,210	205,097	34,199	-	239,296
Total current assets	4,147,399	415,764	3,688	4,566,851	6,002,222	555,273	405,682	6,963,177
PROPERTY AND EQUIPMENT, net	989,871	-	-	989,871	766,636	-	-	766,636
LONG-TERM INVESTMENTS	6,353,164	3,224,903	4,957,475	14,535,542	4,749,479	3,216,087	3,217,986	11,183,552
Total assets	\$ 11,490,434	\$ 3,640,667	\$ 4,961,163	\$ 20,092,264	\$ 11,518,337	\$ 3,771,360	\$ 3,623,668	\$ 18,913,365
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 867,804	\$ 150,666	\$ -	\$ 1,018,470	\$ 1,343,881	\$ -	\$ -	\$ 1,343,881
Accrued salaries and wages and other accrued liabilities	1,490,358	-	-	1,490,358	1,416,790	-	-	1,416,790
Accrued leave liability	1,496,609	-	-	1,496,609	1,452,013	-	-	1,452,013
Deferred state support	14,478	-	-	14,478	17,035	-	-	17,035
Deferred subscription and other revenue	586,365	-	-	586,365	528,881	-	-	528,881
Total current liabilities	4,455,614	150,666	-	4,606,280	4,758,600	-	-	4,758,600
NET ASSETS:								
Operations	4,297,590	3,261,801	-	7,559,391	4,176,614	2,557,812	-	6,734,426
Board designated:								
Reserves	482,057	-	-	482,057	477,613	-	-	477,613
Specific programs and projects	585,201	-	-	585,201	629,380	-	-	629,380
Ohio Bicentennial Commission	-	228,200	-	228,200	-	276,027	-	276,027
Endowment fund balance	-	-	4,961,163	4,961,163	-	-	3,623,668	3,623,668
Quasi-Endowment	1,669,972	-	-	1,669,972	1,476,130	937,521	-	2,413,651
Total net assets	7,034,820	3,490,001	4,961,163	15,485,984	6,759,737	3,771,360	3,623,668	14,154,765
Total liabilities and net assets	\$ 11,490,434	\$ 3,640,667	\$ 4,961,163	\$ 20,092,264	\$ 11,518,337	\$ 3,771,360	\$ 3,623,668	\$ 18,913,365

See notes to the financial statements.

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT:				
State appropriations:				
Operating subsidies	\$ 12,738,386	\$ -	\$ -	\$ 12,738,386
Capital projects	2,881,079	-	-	2,881,079
Government contracts and grants	1,807,219	-	-	1,807,219
Private contracts and grants	130,332	-	-	130,332
Contributions	284,889	829,239	128,645	1,242,773
Contributed materials and services	572,078	-	-	572,078
Other support	41,453	7,000	2,025	50,478
	<hr/>	<hr/>	<hr/>	<hr/>
Total support	18,455,436	836,239	130,670	19,422,345
REVENUE:				
Sales	810,140	-	-	810,140
Investment income	415,670	118,239	63,335	597,244
Admissions and parking	721,920	-	-	721,920
Memberships and subscriptions	384,844	-	-	384,844
Special events	111,027	-	-	111,027
Program services income	563,824	-	-	563,824
Other revenue	108,989	-	-	108,989
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	3,116,414	118,239	63,335	3,297,988
Net assets released from restriction	710,638	(710,638)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total support and revenue	22,282,488	243,840	194,005	22,720,333
EXPENSES:				
Program expenses:				
Site operations, educational and interpretive programs	10,716,283	-	-	10,716,283
State archives and library	2,177,764	-	-	2,177,764
Historic preservation office	1,524,269	-	-	1,524,269
Capital projects	2,884,767	-	-	2,884,767
Support services:				
Management and general	3,998,224	-	-	3,998,224
Business ventures	878,292	-	-	878,292
Fundraising	402,944	-	-	402,944
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	22,582,543	-	-	22,582,543
Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments	(300,055)	243,840	194,005	137,790
Collection items purchased but not capitalized	(50,590)	-	-	(50,590)
Net realized and unrealized gains (losses)	625,728	363,623	254,668	1,244,019
	<hr/>	<hr/>	<hr/>	<hr/>
Changes in net asset before transfer	275,083	607,463	448,673	1,331,219
Transfer of fund restrictions	-	(888,822)	888,822	-
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Changes in net assets	275,083	(281,359)	1,337,495	1,331,219
NET ASSETS, beginning of year	6,759,737	3,771,360	3,623,668	14,154,765
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NET ASSETS, end of year	\$ 7,034,820	\$ 3,490,001	\$ 4,961,163	\$ 15,485,984

See notes to the financial statements.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT:				
State appropriations:				
Operating subsidies	\$ 12,738,383	\$ -	\$ -	\$ 12,738,383
Capital projects	2,958,354	-	-	2,958,354
Government contracts and grants	1,847,494	-	-	1,847,494
Private contracts and grants	132,933	-	-	132,933
Contributions	265,829	427,140	53,564	746,533
Contributed materials and services	554,573	-	-	554,573
Other support	41,086	11,000	2,000	54,086
	<hr/>	<hr/>	<hr/>	<hr/>
Total support	18,538,652	438,140	55,564	19,032,356
REVENUE:				
Sales	728,584	-	-	728,584
Investment income	350,702	137,753	15,933	504,388
Admissions and parking	650,290	-	-	650,290
Memberships and subscriptions	371,633	-	-	371,633
Special events	107,228	-	-	107,228
Program services income	444,086	-	-	444,086
Other revenue	120,804	-	-	120,804
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	2,773,327	137,753	15,933	2,927,013
Net assets released from restriction	550,136	(550,136)	-	-
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Total support and revenue	21,862,115	25,757	71,497	21,959,369
EXPENSES:				
Program expenses:				
Site operations, educational and interpretive programs	10,181,939	-	-	10,181,939
State archives and library	1,748,359	-	-	1,748,359
Historic preservation office	1,482,932	-	-	1,482,932
Capital projects	2,958,322	-	-	2,958,322
Support services:				
Management and general	4,178,150	-	-	4,178,150
Business ventures	730,935	-	-	730,935
Fundraising	432,127	-	-	432,127
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Total expenses	21,712,764	-	-	21,712,764
Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments				
	149,351	25,757	71,497	246,605
Collection items purchased but not capitalized	(36,928)	-	-	(36,928)
Net realized and unrealized gains (losses)	434,311	200,110	(3,354)	631,067
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Changes in net asset before transfer	546,734	225,867	68,143	840,744
Transfer of fund restrictions	(476,168)	289,470	186,698	-
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Changes in net assets	70,556	515,337	254,841	840,734
NET ASSETS, as previously stated	6,417,410	3,256,023	3,368,827	13,042,260
Adjustment applicable to prior years (Note 12)	271,771	-	-	271,771
NET ASSETS, as restated	6,689,181	3,256,023	3,368,827	13,314,031
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NET ASSETS, end of year	\$ 6,759,737	\$ 3,771,360	\$ 3,623,668	\$ 14,154,765

See notes to the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,331,219	\$ 840,734
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Realized and unrealized gain on investments	(1,244,019)	(631,067)
Depreciation	159,546	112,472
Contributions restricted for long-term investments	-	(53,564)
(Gain) loss on disposal of property and equipment	(2,000)	12,257
(Increase) decrease in operating assets:		
Receivables	1,344,510	(1,343,858)
Inventory	40,195	14,880
Accrued interest receivable and other assets	(128,914)	(92,403)
Increase (decrease) in operating liabilities:		
Accounts payable	(325,411)	649,849
Accrued salaries and wages and other accrued liabilities	73,568	154,383
Accrued leave liability	44,596	120,579
Deferred state support	(2,557)	(2,895)
Deferred subscription and other revenue	57,484	34,421
Net cash provided by (used in) operating activities	1,348,217	(184,212)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of long-term investments and reinvested interest and dividends	(2,169,096)	(11,484,079)
Proceeds from the sale and maturity of long-term investments	61,125	8,649,463
Proceeds from the sale of property and equipment	6,000	-
Payments for the purchase of property and equipment	(386,781)	(297,588)
Net cash provided by (used in) investing activities	(2,488,752)	(3,132,204)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions designated for endowment purposes	-	53,564
Net cash provided by financing activities	-	53,564
Net increase (decrease) in cash and cash equivalents	(1,140,535)	(3,262,852)
CASH AND CASH EQUIVALENTS, beginning of year	3,322,383	6,585,235
CASH AND CASH EQUIVALENTS, end of year	\$ 2,181,848	\$ 3,322,383

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SUPPLEMENTAL NON-CASH TRANSACTIONS

During 2006, donors of the Organization redesignated \$476,168 of unrestricted net assets to temporarily and permanently restricted net assets.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Principles of Consolidation

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

Use of Estimates

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

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Separate accounts are maintained for each fund; however, in the accompanying consolidated financial statements, funds that have similar characteristics have been combined into fund groups according to their nature, purpose, and donor-imposed restrictions and/or conditions.

Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible accounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. The allowance for doubtful accounts was \$20,300 as of June 30, 2007 and 2006, respectively.

Inventory

Inventory items consist of supplies and resale merchandise, and are valued at the lower of cost (first-in, first-out method) or market.

Property and Equipment

The Organization capitalizes the cost of property and equipment when incurred.

Classes of assets are:

- Land
- Land renovations and improvements
- Buildings
- Building renovations and improvements
- Machinery and equipment
- Motor vehicles, and
- Construction-in-progress

Buildings, machinery and equipment, and vehicles are depreciated over the assets' useful life and the expense charged against operations. Depreciation is calculated using the straight-line method.

Accrued Leave Liability

Vacation leave is earned by employees based on number of years of service and can be accumulated to a maximum that can be earned in four years of service (up to 800 hours), although upon termination, a maximum of three years (up to 600 hours) is paid out. Sick leave and personal leave are earned based on hours worked during the year. Sick leave accumulates without limit, while personal leave accumulates to a maximum of 40 hours.

Employees may elect to be paid in cash for unused sick and personal leave annually (up to 56 and 40 hours, respectively). Employees are paid for all unused leave upon termination. When paid in cash, vacation and personal leave are paid at the employee's current hourly rate, while sick leave is paid at 50% of the current hourly rate.

Grants and Subsidies

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Memberships

Contributions are recorded as support when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All membership receipts, including subscription revenues, are deferred and recognized over the period to which the memberships related.

Collections and Exhibits

Purchased and contributed collection and library objects are not included in the statement of financial position. No amounts are included in the statement of activity and changes in net assets for contributed collection objects because reasonable estimates of value are generally not available due to the nature of the objects. Donated items fall in the category of works of art, historical treasures and similar assets. (See Note 9).

Board-Designated Net Assets

Board-designated net assets are composed of net assets earmarked as reserves and for various programs and projects. The Board of Trustees can, at its discretion, change the intent and purpose as to how these funds are utilized.

Classification of Net Assets

As required by Statement of Financial Accounting Standards No. 117, resources are classified into three net asset categories according to donor-imposed restrictions. A description of the categories follows:

Unrestricted - Net assets that are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets.

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

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

Quasi-Endowment Funds

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Facilities, Services and Materials

The Organization occupies, without charge, certain administrative offices owned by the State of Ohio. A substantial number of individuals have made significant contributions of their time to Organization programs. The Organization received in-kind contributions of services and materials that are reflected in the consolidated financial statements at their estimated fair value. The value of these contributions is reflected in the consolidated statement of activity and changes in net assets as contributed materials and services and as program expenses. A breakdown of the kind of service volunteered, associated hours and estimated value as shown below.

Kind of Service	2007		2006	
	Hours Contributed	Estimated Value	Hours Contributed	Estimated Value
Interpretive Services	40,525	\$ 451,851	39,131	\$ 436,305
Collection/Curatorial Services	2,738	31,828	3,173	42,222
Research	3,510	48,929	1,365	19,031
Fundraising	-	-	350	25,676
All Other Services	1,592	39,470	2,028	31,339
Total	48,365	\$ 572,078	46,047	\$ 554,573

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

Salary Deferral Plans

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

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is required.

Reclassifications

Certain income and expenses on the statement of activities and changes in net assets for the year ended June 30, 2006, have been reclassified, with no effect on changes in net assets, to be consistent with the classifications adopted for the year ended June 30, 2007.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30 are comprised of:

	<u>2007</u>	<u>2006</u>
Cash	\$ 653,098	\$ 2,129,777
Money Market Funds - All Others	1,528,750	1,192,606
Total	<u>\$ 2,181,848</u>	<u>\$ 3,322,383</u>

Concentration of Financial Risk

As of June 30, 2007 and 2006, the Organization had bank deposits that were in excess of the federally insured limit. The realization of these deposits depends upon the stability of the financial institution with which the Organization conducts business. The Organization also has investments in securities that are subject to fluctuation in market value.

NOTE 4: LONG-TERM INVESTMENTS

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

Long-term investments at June 30 consist of:

	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Certificates of Deposit	\$ 99,000	\$ 99,000	\$ 149,000	\$ 149,000
Common and Preferred Stocks	-	-	-	1,165
Mutual funds	13,169,251	14,436,542	10,990,378	11,033,387
Total	<u>\$ 13,268,251</u>	<u>\$ 14,535,542</u>	<u>\$ 11,139,378</u>	<u>\$ 11,183,552</u>

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

	<u>2007</u>	<u>2006</u>
Interest and Dividends	\$ 597,243	\$ 504,388
Realized Gains	5,703	2,263,470
Unrealized (Losses) Gains	1,238,316	(1,632,403)
Total	<u>\$ 1,841,262</u>	<u>\$ 1,135,455</u>

At June 30, 2007 and 2006, the Organization had on deposit with the Ohio Bureau of Employment Services \$99,000 and \$149,000 of Certificates of Deposit (recorded as long-term investments in unrestricted funds). This deposit is collateral for unemployment repayments and is required by State statute for reimbursing employers.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30 consist of the following:

Contributions Receivable	2007	2006
From individuals	\$ 78,036	\$ 98,272
From corporations	14,000	80,400
Contributions receivable before unamortized discount	<u>92,036</u>	<u>178,672</u>
Less: Unamortized discount	(4,383)	(10,592)
Less: Allowance for doubtful accounts	<u>(20,336)</u>	<u>(20,336)</u>
Net contributions receivable	<u>\$ 67,328</u>	<u>\$ 147,744</u>
Amounts due in:		
Less than one year	\$ 87,036	\$ 4,130
One to five years	5,000	174,542
Less: Unamortized discount	(4,383)	(10,592)
Less: Allowance for doubtful accounts	<u>(20,336)</u>	<u>(20,336)</u>
Total	<u>\$ 67,328</u>	<u>\$ 147,744</u>

NOTE 6: PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Organization contributes to the Public Employees Retirement System of Ohio (System), a cost-sharing, multiple-employer public employee retirement system administered by the Public Employees Retirement Board. The System provides basic retirement benefits, disability, survivor and healthcare benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System.

Plan members, Organization employees, are required to contribute 9.5% (9% until January 1, 2007) of their annual covered salary to fund pension obligations, and the Organization is required to contribute 13.77% (13.54% until January 1, 2007). Contributions are authorized by State statute, and the contribution rates are determined actuarially. The Organization's contributions to the System for the years ended June 30, 2007 and 2006 were approximately \$1,457,000 and \$1,332,000, respectively, equal to the required contributions for each year.

Post-Employment Benefits Other Than Pension Benefits

The System also provides post-retirement healthcare coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. A portion of each employer's contribution to the System is set aside for the funding of post-retirement healthcare. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was 13.77% (13.54% until January 1, 2007) of covered payroll; 4.5% was the portion that was used to fund healthcare for both years.

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

The System's audited estimated net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$69,650 million.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: STATE CAPITAL APPROPRIATIONS

As of June 30, 2007, the Organization still has available for future use bond money appropriated to the Ohio Cultural Facilities Commission from the State for various capital projects in the amount of \$9,880,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

NOTE 8: NET ASSETS

As of June 30, 2007 and 2006, temporarily restricted net assets are all available for future year operations. Amounts are as follows:

<u>Temporarily Restricted Net Assets</u>	<u>2007</u>	<u>2006</u>
Ohio Bicentennial Commission	\$ 228,200	\$ 276,027
For specific sites and programs	3,261,801	2,557,812
Quasi-Endowment	-	937,521
Total	<u>\$ 3,490,001</u>	<u>\$ 3,771,360</u>

Net assets were released from donor restrictions during fiscal years 2007 and 2006 by the passage of time, incurring expenses satisfying purpose restrictions or fulfilling performance requirements specified by donors as follows:

<u>Net Assets Released From Donor Restrictions</u>	<u>2007</u>	<u>2006</u>
Ohio Bicentennial Commission	\$ 47,827	\$ 22,343
For specific sites and purposes	662,811	527,793
Total	<u>\$ 710,638</u>	<u>\$ 550,136</u>

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

<u>Permanently Restricted Net Assets</u>	<u>2007</u>	<u>2006</u>
No restrictions on use of income	\$ 829,774	\$ 825,336
For specific sites and purposes	4,131,389	2,798,332
Total	<u>\$ 4,961,163</u>	<u>\$ 3,623,668</u>

NOTE 9: COLLECTIONS AND EXHIBITS

The Organization does not capitalize its artifacts and collections. The Organization's museum collections consist of approximately 2,300,000 objects 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 collection preserves 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 museum collections of books, microfilm, manuscripts, maps, state and local government records, newspapers, photographs, films, videos and recordings.

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

The Organization had no material deaccessions during fiscal years 2007 and 2006.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: PROPERTY AND EQUIPMENT

Equipment capitalized and accumulated depreciation at June 30 are as follows:

	<u>2007</u>	<u>2006</u>
Machinery and equipment	\$ 989,665	\$ 928,772
Land	234,866	234,866
Vehicles	348,256	350,984
Buildings	329,450	58,440
Gross fixed assets	<u>1,902,237</u>	<u>1,573,062</u>
Less: accumulated depreciation	<u>(912,366)</u>	<u>(806,426)</u>
Net book value	<u>\$ 989,871</u>	<u>\$ 766,636</u>

Depreciation expense for the years ended June 30, 2007 and 2006 approximated \$160,000 and \$114,000, 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, 2007 will not have a material adverse effect on the Organization's financial position and results of operations.

NOTE 12: PRIOR PERIOD ADJUSTMENT

The Organization, until June 30, 1997, had followed the practice of charging the acquisition cost of property to expense when purchased. Accounting principles generally accepted in the United States of America require that all such purchases be capitalized when purchased and depreciated over their estimated useful lives.

In addition, until June 30, 1997, the revenue equal to the fair market value at the time of donation for all property donated was not recorded and the related assets were not capitalized. Accounting principles generally accepted in the United States of America require that all such donations be recorded as revenue and the assets be capitalized at their fair market value.

As of June 30, 2006, the net book value of property donated or purchased but not capitalized was \$271,771. Of this amount, land represented \$234,866 and buildings represented \$36,905. The Organization has restated the financial statements for the year ended June 30, 2006 by capitalizing this property, resulting in increased net assets.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

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We're Ready For Your Future

March 28, 2008

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

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

We have audited the consolidated financial statements of The Ohio Historical Society and Affiliate (the "Organization") as of and for the year ended June 30, 2007 and have issued our report thereon dated March 28, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

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

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

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We're Ready For Your Future

March 28, 2008

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB A-133

Compliance

We have audited the compliance of The Ohio Historical Society and Affiliate (the "Organization") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2007. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

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

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agency and pass-through entity and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Rea & Associates, Inc." in a cursive style.

Rea & Associates, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Federal Disbursements
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		
National Historical Publications and Records Commission:		
Ohio Historical Records Advisory Board Planning	89-003	\$ 3,874
		<u>3,874</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES:		
General Operating Support	45.301	26,336
Connect Ohio		<u>31,154</u>
		57,490
DEPARTMENT OF EDUCATION		
Direct Programs:		
Congressional Academy Program	84.215d	50,973
Passed through Columbus Public Schools:		
History in the Heartland (Contract with Mid-Ohio Educational Service Center)	84.215x	40,715
History Works II (Contract with Columbus Public Schools)	84.215x	64,033
Think History	84.215x	113,851
Explore History	84.215x	57,618
Hands on History	84.215x	<u>80,758</u>
		407,948
DEPARTMENT OF THE INTERIOR		
National Park Service - Buffington Island Battlefield Plan	15.904	4,619
National Park Service - WP Snyder SAT	15.904	6,417
National Park Service - Quaker Meeting House	15.904	9,499
National Park Service - Save America's Treasures	15.904	48,633
National Park Service - John Rankin House	15.904	6,134
National Park Service - Dunbar ADA Access	15.904	<u>64,235</u>
		139,537
National Historical Preservation Act		
Historic Preservation Fund	15.904	60,765
Historic Preservation Fund	15.904	191,501
Historic Preservation Fund	15.904	38,780
Historic Preservation Fund	15.904	<u>487,658</u>
		778,704
NATIONAL ENDOWMENT FOR THE HUMANITIES		
Mounds, Earthworks, and the Pre-History of the Ohio Valley	45.168	100,450
HUD		
		3,107
TOTAL		<u>\$ 1,491,110</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
National Historic Preservation Act	15.904	\$ 76,275

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , Section .505
JUNE 30, 2007

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

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

None were noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted

SCHEDULE OF PRIOR AUDIT FINDINGS

FINANCIAL STATEMENT FINDINGS

No matters reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.

	Combined Total			Intercompany Adjustments			Consolidated Total		
	Unrestricted	Temporarily	Permanently	QHS	QHSE	Unrestricted	Temporarily	Permanently	Total
		Restricted	Restricted				Restricted	Restricted	
ASSETS									
CURRENT ASSETS:									
Cash and cash equivalents	\$ 1,864,727	\$ 313,433	\$ 3,688	\$ -	\$ -	\$ 1,864,727	\$ 313,433	\$ 3,688	\$ 2,181,848
Receivables:									
Grants	344,595	-	-	-	-	344,595	-	-	344,595
Contracts	1,053,552	-	-	-	-	1,053,552	-	-	1,053,552
Contributions	-	67,328	-	-	-	-	67,328	-	67,328
Other	274,593	728	-	(173,665)	-	100,928	728	-	101,656
Inventory, net of allowance of \$146,300	449,662	-	-	-	-	449,662	-	-	449,662
Accrued interest receivable and other assets	333,935	34,275	-	-	-	333,935	34,275	-	368,210
Total current assets	4,321,064	415,764	3,688	(173,665)	-	4,147,399	415,764	3,688	4,566,851
PROPERTY AND EQUIPMENT, net	989,871	-	-	-	-	989,871	-	-	989,871
LONG-TERM INVESTMENTS	6,353,164	3,224,903	4,957,475	-	-	6,353,164	3,224,903	4,957,475	14,535,542
Total assets	\$ 11,664,099	\$ 3,640,667	\$ 4,961,163	\$ (173,665)	\$ -	\$ 11,490,434	\$ 3,640,667	\$ 4,961,163	\$ 20,092,264
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES:									
Accounts payable	\$ 1,041,469	\$ 150,666	\$ -	\$ -	\$ (173,665)	\$ 867,804	\$ 150,666	\$ -	\$ 1,018,470
Accrued salaries and wages and other accrued liabilities	1,490,358	-	-	-	-	1,490,358	-	-	1,490,358
Accrued leave liability	1,496,609	-	-	-	-	1,496,609	-	-	1,496,609
Deferred state support	14,478	-	-	-	-	14,478	-	-	14,478
Deferred subscription and other revenue	586,365	-	-	-	-	586,365	-	-	586,365
Total current liabilities	4,629,279	150,666	-	(173,665)	-	4,555,614	150,666	-	4,606,280
NET ASSETS:									
Operations	4,297,590	3,261,801	-	-	-	4,297,590	3,261,801	-	7,559,391
Board designated	-	-	-	-	-	-	-	-	-
Reserves	482,057	-	-	-	-	482,057	-	-	482,057
Specific programs and projects	585,201	-	-	-	-	585,201	-	-	585,201
Ohio Bicentennial Commission	-	228,200	-	-	-	-	228,200	-	228,200
Endowment fund balance	-	-	4,961,163	-	-	-	-	4,961,163	4,961,163
Quasi-Endowment	1,669,972	-	-	-	-	1,669,972	-	-	1,669,972
Total net assets	7,034,820	3,490,001	4,961,163	-	-	7,034,820	3,490,001	4,961,163	15,485,984
Total liabilities and net assets	\$ 11,664,099	\$ 3,640,667	\$ 4,961,163	\$ -	\$ (173,665)	\$ 11,490,434	\$ 3,640,667	\$ 4,961,163	\$ 20,092,264

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2006

	Ohio Historical Society		Ohio Historical Society Foundation				
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	\$ 1,512,022	\$ 276,027	\$ 1,788,049	\$ 1,031,349	\$ 97,303	\$ 405,682	\$ 1,534,334
Receivables:							
Grants	482,220	-	482,220	-	-	-	-
Contracts	2,254,250	-	2,254,250	-	-	-	-
Contributions	-	-	-	147,744	-	-	147,744
Other	193,323	-	193,323	7,397	-	-	7,397
Inventory, net of allowance of \$65,500	489,857	-	489,857	-	-	-	-
Accrued interest receivable and other assets	205,097	-	205,097	-	34,199	-	34,199
Total current assets	5,136,769	276,027	5,412,796	1,038,746	279,246	405,682	1,723,674
PROPERTY AND EQUIPMENT, net	766,636	-	766,636	-	-	-	-
LONG-TERM INVESTMENTS	1,513,250	-	1,513,250	3,236,229	3,216,087	3,217,986	9,670,302
Total assets	\$ 7,416,655	\$ 276,027	\$ 7,692,682	\$ 4,274,975	\$ 3,495,333	\$ 3,623,668	\$ 11,393,976
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES:							
Accounts payable	\$ 1,344,173	\$ -	\$ 1,344,173	\$ 165,978	\$ -	\$ -	\$ 165,978
Accrued salaries and wages and other accrued liabilities	1,416,790	-	1,416,790	-	-	-	-
Accrued leave liability	1,452,013	-	1,452,013	-	-	-	-
Deferred state support	17,035	-	17,035	-	-	-	-
Deferred subscription and other revenue	535,904	-	535,904	-	-	-	-
Total current liabilities	4,765,915	-	4,765,915	165,978	-	-	165,978
NET ASSETS:							
Operations	1,543,747	-	1,543,747	2,632,867	2,557,812	-	5,190,679
Board designated	-	-	-	-	-	-	-
Reserves	477,613	-	477,613	-	-	-	-
Specific programs and projects	629,380	-	629,380	-	-	-	-
Ohio Bicentennial Commission	-	276,027	276,027	-	-	-	-
Endowment fund balance	-	-	-	-	-	3,623,668	3,623,668
Quasi-Endowment	-	-	-	1,476,130	937,521	-	2,413,651
Total net assets	2,650,740	276,027	2,926,767	4,108,997	3,495,333	3,623,668	11,227,998
Total liabilities and net assets	\$ 7,416,655	\$ 276,027	\$ 7,692,682	\$ 4,274,975	\$ 3,495,333	\$ 3,623,668	\$ 11,393,976

	Combined Total			Intercompany Adjustments			Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OIS	OHSE	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents										
Receivables:										
Grants	482,220	-	-	482,220	-	-	482,220	-	-	482,220
Contracts	2,254,250	-	-	2,254,250	-	-	2,254,250	-	-	2,254,250
Contributions	-	147,744	-	147,744	-	-	-	147,744	-	147,744
Other	200,720	-	-	200,720	(173,293)	-	27,427	-	-	27,427
Inventory, net of allowance of \$65,500	489,857	-	-	489,857	-	-	489,857	-	-	489,857
Accrued interest receivable and other assets	205,097	34,199	-	239,296	-	-	205,097	34,199	-	239,296
Total current assets	6,175,515	555,273	405,682	7,136,470	(173,293)	-	6,002,222	555,273	405,682	6,963,177
PROPERTY AND EQUIPMENT, net	766,636	-	-	766,636	-	-	766,636	-	-	766,636
LONG-TERM INVESTMENTS	4,749,479	3,216,087	3,217,986	11,183,552	-	-	4,749,479	3,216,087	3,217,986	11,183,552
Total assets	\$ 11,691,630	\$ 3,771,360	\$ 3,623,668	\$ 19,086,658	\$ (173,293)	\$ -	\$ 11,518,337	\$ 3,771,360	\$ 3,623,668	\$ 18,913,365
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES:										
Accounts payable	\$ 1,510,151	\$ -	\$ -	\$ 1,510,151	\$ -	\$ (166,270)	\$ 1,343,881	\$ -	\$ -	\$ 1,343,881
Accrued salaries and wages and other accrued liabilities	1,416,790	-	-	1,416,790	-	-	1,416,790	-	-	1,416,790
Accrued leave liability	1,452,013	-	-	1,452,013	-	-	1,452,013	-	-	1,452,013
Deferred state support	17,035	-	-	17,035	-	-	17,035	-	-	17,035
Deferred subscription and other revenue	535,904	-	-	535,904	-	(7,023)	528,881	-	-	528,881
Total current liabilities	4,931,893	-	-	4,931,893	-	(173,293)	4,738,600	-	-	4,738,600
NET ASSETS:										
Operations	4,176,614	2,557,812	-	6,734,426	-	-	4,176,614	2,557,812	-	6,734,426
Board designated										
Reserves	477,613	-	-	477,613	-	-	477,613	-	-	477,613
Specific programs and projects	629,380	-	-	629,380	-	-	629,380	-	-	629,380
Ohio Bicentennial Commission	-	276,027	-	276,027	-	-	-	276,027	-	276,027
Endowment fund balance	-	-	3,623,668	3,623,668	-	-	-	-	3,623,668	3,623,668
Quasi-Endowment	1,476,130	937,521	-	2,413,651	-	-	1,476,130	937,521	-	2,413,651
Total net assets	6,759,737	3,771,360	3,623,668	14,154,765	-	-	6,759,737	3,771,360	3,623,668	14,154,765
Total liabilities and net assets	\$ 11,691,630	\$ 3,771,360	\$ 3,623,668	\$ 19,086,658	\$ -	\$ (173,293)	\$ 11,518,337	\$ 3,771,360	\$ 3,623,668	\$ 18,913,365

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

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

	Ohio Historical Society			Ohio Historical Society Foundation		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
SUPPORT:						
State appropriations:						
Operating subsidies	\$ 12,738,386	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	2,881,079	-	2,881,079	-	-	-
Government contracts and grants	1,807,219	-	1,807,219	-	-	-
Private contracts and grants	130,332	-	130,332	-	-	-
Contributions	949,192	-	949,192	282,508	829,239	128,645
Contributed materials and services	556,851	-	556,851	15,227	-	15,227
Other support	22,444	-	22,444	19,009	7,000	2,025
Total support	19,085,503	-	19,085,503	316,744	836,239	130,670
REVENUE:						
Sales	810,140	-	810,140	-	-	-
Investment income	219,023	-	219,023	196,647	118,239	63,335
Admissions and parking	721,920	-	721,920	-	-	-
Memberships and subscriptions	392,469	-	392,469	-	-	-
Special events	111,027	-	111,027	-	-	-
Program services income	563,824	-	563,824	-	-	-
Other revenue	108,989	-	108,989	-	-	-
Total revenue	2,927,392	-	2,927,392	196,647	118,239	63,335
Net assets released from restrictions	47,827	(47,827)	-	662,811	(662,811)	-
Total support and revenue	22,060,722	(47,827)	22,012,895	1,176,202	291,667	194,005
EXPENSES:						
Program expenses:						
Site operations, educational and interpretive programs	10,716,283	-	10,716,283	-	-	-
State archives and library	2,171,764	-	2,171,764	-	-	-
Historic preservation office	1,524,269	-	1,524,269	-	-	-
Capital projects	2,884,767	-	2,884,767	-	-	-
Support services:						
Management and general	3,981,171	-	3,981,171	17,053	-	17,053
Business ventures	878,292	-	878,292	-	-	-
Fundraising	395,342	-	395,342	15,227	-	15,227
Total expenses	22,557,888	-	22,557,888	32,280	-	32,280
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investment	(497,166)	(47,827)	(544,993)	1,143,922	291,667	194,005
Collection items purchased but not capitalized	(30,590)	-	(30,590)	-	-	-
Net realized and unrealized gains (losses)	80,210	-	80,210	545,518	363,623	254,668
Changes in net assets before transfers	(467,546)	(47,827)	(515,373)	1,689,440	655,290	448,673
Transfer of fund restrictions	-	-	-	(946,811)	(888,822)	888,822
Transfers to Ohio Historical Society	-	-	-	-	-	-
Change in net assets	(467,546)	(47,827)	(515,373)	742,629	(233,532)	1,337,495
NET ASSETS, beginning of year	2,650,740	276,027	2,926,767	4,108,997	3,495,333	3,623,668
NET ASSETS, end of year	\$ 2,183,194	\$ 228,200	\$ 2,411,394	\$ 4,851,626	\$ 3,261,801	\$ 4,961,163
						\$ 13,074,390

	Combined Total			Interscompany Adjustments		Consolidated Total				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHIS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:										
State appropriations:										
Operating subsidies	\$ 12,738,386	\$ -	\$ -	\$ 12,738,386	\$ -	\$ -	\$ 12,738,386	\$ -	\$ -	\$ 12,738,386
Capital projects	2,881,079	-	-	2,881,079	-	-	2,881,079	-	-	2,881,079
Government contracts and grants	1,807,219	-	-	1,807,219	-	-	1,807,219	-	-	1,807,219
Private contracts and grants	130,332	-	-	130,332	-	-	130,332	-	-	130,332
Contributions	1,231,700	829,239	128,645	2,189,584	(946,811)	-	284,889	829,239	128,645	1,242,773
Contributed materials and services	572,078	-	-	572,078	-	-	572,078	-	-	572,078
Other support	41,453	7,000	2,025	50,478	-	-	41,453	7,000	2,025	50,478
Total support	19,402,247	836,239	130,670	20,369,156	(946,811)	-	18,455,436	836,239	130,670	19,422,345
REVENUE:										
Sales	810,140	-	-	810,140	-	-	810,140	-	-	810,140
Investment income	415,670	118,239	63,335	597,244	-	-	415,670	118,239	63,335	597,244
Admissions and parking	721,920	-	-	721,920	-	-	721,920	-	-	721,920
Memberships and subscriptions	392,469	-	-	392,469	(7,625)	-	384,844	-	-	384,844
Special events	111,027	-	-	111,027	-	-	111,027	-	-	111,027
Program services income	563,824	-	-	563,824	-	-	563,824	-	-	563,824
Other revenue	108,989	-	-	108,989	-	-	108,989	-	-	108,989
Total revenue	3,124,039	118,239	63,335	3,305,613	(7,625)	-	3,116,414	118,239	63,335	3,297,988
Net assets released from restrictions	710,638	(710,638)	-	-	-	-	710,638	(710,638)	-	-
Total support and revenue	23,236,924	243,840	194,005	23,674,769	(954,436)	-	22,282,488	243,840	194,005	22,720,333
EXPENSES:										
Program expenses:										
Site operations, educational and interpretive programs	10,716,283	-	-	10,716,283	-	-	10,716,283	-	-	10,716,283
State archives and library	2,177,764	-	-	2,177,764	-	-	2,177,764	-	-	2,177,764
Historic preservation office	1,524,269	-	-	1,524,269	-	-	1,524,269	-	-	1,524,269
Capital projects	2,884,767	-	-	2,884,767	-	-	2,884,767	-	-	2,884,767
Support services:										
Management and general	3,998,224	-	-	3,998,224	-	-	3,998,224	-	-	3,998,224
Business ventures	878,292	-	-	878,292	-	-	878,292	-	-	878,292
Fundraising	410,569	-	-	410,569	(7,625)	-	402,944	-	-	402,944
Total expenses	22,590,168	-	-	22,590,168	(7,625)	-	22,582,543	-	-	22,582,543
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investment	646,756	243,840	194,005	1,084,601	(954,436)	7,625	(300,055)	243,840	194,005	137,790
Collection items purchased but not capitalized	(50,590)	-	-	(50,590)	-	-	(50,590)	-	-	(50,590)
Net realized and unrealized gains (losses)	625,728	363,623	254,668	1,244,019	-	-	625,728	363,623	254,668	1,244,019
Changes in net assets before transfers	1,221,894	607,463	448,673	2,278,030	(954,436)	7,625	275,083	607,463	448,673	1,331,219
Transfer of fund restrictions	(946,811)	(888,822)	888,822	(946,811)	-	-	-	(888,822)	888,822	-
Transfers to Ohio Historical Society	-	-	-	-	-	946,811	-	-	-	-
Change in net assets	275,083	(281,359)	1,337,495	1,331,219	(954,436)	954,436	275,083	(281,359)	1,337,495	1,331,219
NET ASSETS, beginning of year	6,759,737	3,771,360	3,623,668	14,154,765	-	-	6,759,737	3,771,360	3,623,668	14,154,765
NET ASSETS, end of year	7,034,820	3,490,001	4,961,163	15,485,984	(954,436)	954,436	7,034,820	3,490,001	4,961,163	15,485,984

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

THE OHIO HISTORICAL SOCIETY AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

	Ohio Historical Society			Ohio Historical Society Foundation			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT:							
State appropriations:							
Operating subsidies	\$ 12,738,383	\$ -	\$ 12,738,383	\$ -	\$ -	\$ -	\$ -
Capital projects	2,958,354	-	2,958,354	-	-	-	-
Government contracts and grants	1,847,494	-	1,847,494	-	-	-	-
Private contracts and grants	132,933	-	132,933	-	-	-	-
Contributions	760,454	-	760,454	265,158	427,140	53,564	745,862
Contributed materials and services	524,316	-	524,316	30,257	-	-	30,257
Other support	21,170	-	21,170	19,916	11,000	2,000	32,916
Total support	18,983,104	-	18,983,104	315,331	438,140	55,564	809,035
REVENUE:							
Sales	728,584	-	728,584	-	-	-	-
Investment income	229,408	-	229,408	121,294	137,753	15,933	274,980
Admissions and parking	650,290	-	650,290	-	-	-	-
Memberships and subscriptions	379,133	-	379,133	-	-	-	-
Special events	107,238	-	107,238	-	-	-	-
Program services income	444,086	-	444,086	-	-	-	-
Other revenue	120,804	-	120,804	-	-	-	-
Total revenue	2,659,533	-	2,659,533	121,294	137,753	15,933	274,980
Net assets released from restrictions	22,343	(22,343)	-	527,793	(527,793)	-	-
Total support and revenue	21,664,980	(22,343)	21,642,637	964,418	48,100	71,497	1,084,015
EXPENSES:							
Program expenses:							
Site operations, educational and interpretive programs	10,181,939	-	10,181,939	-	-	-	-
State archives and library	1,748,359	-	1,748,359	-	-	-	-
Historic preservation office	1,482,932	-	1,482,932	-	-	-	-
Capital projects	2,958,332	-	2,958,332	-	-	-	-
Support services:							
Management and general	4,134,089	-	4,134,089	44,061	-	-	44,061
Business ventures	730,935	-	730,935	30,254	-	-	30,254
Fundraising	409,373	-	409,373	-	-	-	-
Total expenses	21,645,949	-	21,645,949	74,315	-	-	74,315
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investments	19,031	(22,343)	(3,312)	890,103	48,100	71,497	1,009,700
Collection items purchased but not capitalized	(36,928)	-	(36,928)	-	-	-	-
Net realized and unrealized gains (losses)	(6,728)	-	(6,728)	441,039	200,110	(1,354)	637,795
Changes in net assets before transfers	(24,625)	(22,343)	(46,968)	1,331,142	248,210	68,143	1,647,495
Transfer of fund restrictions	-	-	-	(476,168)	289,470	186,698	-
Transfers to Ohio Historical Society	-	-	-	(759,793)	-	-	(759,793)
Change in net assets	(24,625)	(22,343)	(46,968)	95,181	537,680	254,841	887,702
NET ASSETS, as previously stated	2,403,594	298,370	2,701,964	4,013,816	2,957,653	3,368,827	10,340,296
Adjustment applicable to prior years (Note 12)	271,771	-	271,771	-	-	-	-
NET ASSETS, as restated	2,675,365	298,370	2,973,735	4,013,816	2,957,653	3,368,827	10,340,296
NET ASSETS, end of year	\$ 2,650,740	\$ 276,027	\$ 2,926,767	\$ 4,108,997	\$ 3,495,333	\$ 3,623,668	\$ 11,227,998

	Combined Total			Intercompany Adjustments			Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHHS	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:										
State appropriations:										
Operating subsidies	\$ 12,738,383	\$ -	\$ -	\$ 12,738,383	\$ -	\$ -	\$ 12,738,383	\$ -	\$ -	\$ 12,738,383
Capital projects	2,958,354	-	-	2,958,354	-	-	2,958,354	-	-	2,958,354
Government contracts and grants	1,847,494	-	-	1,847,494	-	-	1,847,494	-	-	1,847,494
Private contracts and grants	132,933	-	-	132,933	-	-	132,933	-	-	132,933
Contributions	1,025,812	427,140	53,564	1,506,516	(759,783)	-	265,529	427,140	53,564	746,533
Contributed materials and services	554,573	-	-	554,573	-	-	554,573	-	-	554,573
Other support	41,086	11,000	2,000	54,086	-	-	41,086	11,000	2,000	54,086
Total support	19,298,435	438,140	55,564	19,792,139	(759,783)	-	18,538,652	438,140	55,564	19,032,356
REVENUE:										
Sales	728,584	-	-	728,584	-	-	728,584	-	-	728,584
Investment income	350,702	137,753	15,933	504,388	-	-	350,702	137,753	15,933	504,388
Admissions and parking	650,290	-	-	650,290	-	-	650,290	-	-	650,290
Memberships and subscriptions	379,133	-	-	379,133	(7,500)	-	371,633	-	-	371,633
Special events	107,228	-	-	107,228	-	-	107,228	-	-	107,228
Program services income	444,086	-	-	444,086	-	-	444,086	-	-	444,086
Other revenue	170,804	-	-	170,804	-	-	170,804	-	-	170,804
Total revenue	2,780,827	137,753	15,933	2,934,513	(7,500)	-	2,773,327	137,753	15,933	2,927,013
Net assets released from restrictions	550,136	(550,136)	-	-	-	-	550,136	(550,136)	-	-
Total support and revenue	22,629,398	25,757	71,497	22,726,652	(767,283)	-	21,862,115	25,757	71,497	21,959,369
EXPENSES:										
Program expenses:										
Site operations, educational and interpretive programs	10,181,939	-	-	10,181,939	-	-	10,181,939	-	-	10,181,939
State archives and library	1,748,359	-	-	1,748,359	-	-	1,748,359	-	-	1,748,359
Historic preservation office	1,482,932	-	-	1,482,932	-	-	1,482,932	-	-	1,482,932
Capital projects	2,958,322	-	-	2,958,322	-	-	2,958,322	-	-	2,958,322
Support services:										
Management and general	4,178,150	-	-	4,178,150	-	-	4,178,150	-	-	4,178,150
Business ventures	730,935	-	-	730,935	-	-	730,935	-	-	730,935
Fundraising	439,627	-	-	439,627	(7,500)	-	432,127	-	-	432,127
Total expenses	21,720,264	-	-	21,720,264	(7,500)	-	21,712,764	-	-	21,712,764
Changes in net assets before changes related to collection items not capitalized and change in net unrealized gains and losses on investment	909,134	25,757	71,497	1,006,388	(767,283)	(7,500)	149,351	25,757	71,497	246,605
Collection items purchased but not capitalized	(36,928)	-	-	(36,928)	-	-	(36,928)	-	-	(36,928)
Net realized and unrealized gains (losses)	434,311	200,110	(3,354)	631,067	-	-	434,311	200,110	(3,354)	631,067
Changes in net assets before transfers	1,306,517	225,867	68,143	1,600,527	(767,283)	(7,500)	546,734	225,867	68,143	840,734
Transfer of fund restrictions	(476,168)	289,470	186,698	-	-	-	(476,168)	289,470	186,698	-
Transfers to Ohio Historical Society	(759,793)	-	-	(759,793)	-	(759,783)	-	-	-	-
Change in net assets	70,556	515,337	254,841	840,734	(767,283)	(767,283)	70,556	515,337	254,841	840,734
NET ASSETS, as previously stated	6,417,410	3,256,023	3,368,827	13,042,260	-	-	6,417,410	3,256,023	3,368,827	13,042,260
Adjustment applicable to prior years (Note 12)	271,771	-	-	271,771	-	-	271,771	-	-	271,771
NET ASSETS, as restated	6,689,181	3,256,023	3,368,827	13,314,031	-	-	6,689,181	3,256,023	3,368,827	13,314,031
NET ASSETS, end of year	\$ 6,759,737	\$ 3,771,360	\$ 3,623,668	\$ 14,154,765	\$ (767,283)	\$ (767,283)	\$ 6,759,737	\$ 3,771,360	\$ 3,623,668	\$ 14,154,765

See Independent Auditors' Report and notes to the financial statements



Mary Taylor, CPA
Auditor of State

OHIO HISTORICAL SOCIETY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 15, 2008**