The Ohio Historical Society and Affiliate

Consolidated Audited Financial Statements For the years ended June 30, 2006 and 2005

Rea & Associates, Inc.



Mary Taylor, CPA Auditor of State

Board of Directors Ohio Historical Society and Affiliate 1982 Velma Avenue Columbus, Ohio 43211

We have reviewed the *Independent Auditors' Report* of the Ohio Historical Society and Affiliate, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2005 through June 30, 2006. 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 is responsible for compliance with these laws and regulations.

Mary Jaylor

Mary Taylor, CPA Auditor of State

January 29, 2007

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

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2300 Baton Rouge Avenue Lima, OH 45805-1130 PH 419-331-1040 FAX 419-331-1120 www.reacpa.com

August 24, 2006

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, 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 audit. The financial statements of The Ohio Historical Society and Affiliate for the year ended June, 30, 2005 were audited by other auditors whose report, dated August 26, 2005, included an explanatory paragraph that expressed a qualified opinion on those statements based on the Organization's practice, until June 30, 1997, of charging the acquisition costs of property and equipment to expense when purchased.

We conducted our audit 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 audit 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 audit provides a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, 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. The effects on the consolidated financial statements of the Organization's practice are not reasonably determinable.

In our opinion, except for the effects of not capitalizing and depreciating all property and equipment purchases as discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Ohio Historical Society and Affiliate as of June 30, 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.

Cambridge Columbus Coshocton In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2006 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, 2006 and 2005 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.

Kea & Associates, Inc.

Rea & Associates, Inc.

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	ö	NSOLIDATED ST	STATEMENTS OF FINA) JUNE 30, 2006 AND 2005	CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2006 AND 2005	z			
		June	June 30, 2006			June 3	June 30, 2005	
	Unrestricted	Temporarily Restricted	Permanently <u>Restricted</u>	Total	Unrestricted	Temporarily <u>Restricted</u>	Permanently Restricted	Total
ASSETS CURRENT ASSETS: Cash and cash equivalents	S 2,543.371	0EE.ETE S	S 405.682	S 3.322.383	S 4.719.706	EST CALL S	9LE ERA	516 585 A
Receivables: Grants								
Contracts Contributions	2,254,250 -	147,744	ь в	2,254,250 147,744		312.258	a r	931,777 312,258
Other Inventory, net of allowance of S65,500 and S146,300	27,427 489,857			27,427 489,857	58,518 504,737	1,359	1 1	59,877 504,737
Accrued interest receivable and other assets	205,097	34,199		239,296	107,163	39,730		146,893
Total current assets	6,002,222	555,273	405,682	6,963,177	6,585,772	1,535,500	683,376	8,804,648
PROPERTY AND EQUIPMENT, net	494,865	L	·	494,865	322,006	i		322,006
LONG-TERM INVESTMENTS	4,749,479	3,216,087	3,217,986	11,183,552	3,311,895	1,720,523	2,685,451	7,717,869
Total assets	S 11,246,566	S 3,771,360	S 3,623,668	S 18,641,594	S 10,219,673	S 3,256,023	S 3,368,827	S 16,844,523
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES: Accounts payable	S 1 343-881	, S	5	188 202 I S	620 Pby 3		v	\$ 604.027
Accrued salaries and wages and other accrued liabilities		i	1		-	, , ,	1	
Accrica leave liability Deferred state sumort	1,452,013		r	1,452,013	1,331,434		а (1,331,434
Deferred subscription and other revenue	528,881			528,881	494,460			494,460
Total current liabilities	4,758,600	ä	9	4,758,600	3,802,263		τ	3,802,263
NET ASSETS: Operations Brond desirround-	3,904,843	2,557,812		6,462,655	3,947,856	2,228,356	310.	6,176,212
Reserves	477,613		•	477,613	471,255	×	3	471,255
Specture programs and projects Ohio Bicentennial Commission	629,380	776 077		629,380 776 077	712,351	- 100 -	i s	712,351
Endowment fund balance		•	3,623,668	3,623,668	•	-	3,368,827	3.368.827
Quasi-Endowment	1,476,130	937,521	1	2,413,651	1,285,948	729,297		2,015,245
Total net assets	6,487,966	3,771,360	3,623,668	13,882,994	6,417,410	3,256,023	3,368,827	13,042,260
Total liabilities and net assets	S 11,246,566	S 3,771,360	S 3,623,668	S 18,641,594	S 10,219,673	S 3,256,023	S 3,368,827	S 16,844,523

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See notes to the financial statements.

CONSOLIDATED STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS YEAR ENDED JUNE 30, 2006

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REVENUE: 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 - - - 120,804 Total revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - - - - 10,321,489 - - 10,321,489 - - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - 1,478,359 - <th>•</th> <th>Unrestricted</th> <th>Temporarily <u>Restricted</u></th> <th>Permanently <u>Restricted</u></th> <th><u>Total</u></th>	•	Unrestricted	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Operating whatlins \$ 12,738,383 \$	SUPPORT:				
Operating whatlins \$ 12,738,383 \$	State appropriations:				
Capital projects 2,958,354 - - 2,958,354 Government contracts and grants 132,933 - - 132,033 Contributed materials and services 26,87,334 - - 132,033 Contributed materials and services 64,123 - - - 64,123 Other support 18,678,202 438,140 55,564 19,171,000 REVENUE: Sales - - 728,584 Sales 728,584 - - 728,584 Investment income 330,702 137,753 15,933 504,388 Admissions and parking 600,209 - - 620,209 Memberatilys and subscriptions 371,633 - - 170,228 Program services income 24,04,066 - - 444,066 Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Program services: - 1,748,359 - - 1,748,359 Progra		\$ 12,738,383	\$ -	s -	\$ 12,738,383
Government contracts and grants 1,847,494 - - 1,827,93 Private controls and grants 265,829 427,140 53,564 746,533 Contributions 11,000 2,000 540,665 Total support 18,678,202 438,140 55,564 19,171,906 REVENUE: - - 728,584 - - 728,584 Memberships and subscriptions 371,633 - 107,228 - - 107,228 Program services income 24,40,866 - - 120,804 - - 120,804 Total support and revenue 22,001,665 25,575 71,497 22,098,919 EXPENSIES: - - 1,748,359 - - 1,748,359 Priogram sepreties 730,353				-	
Private contracts and grants 122,933 - - 122,933 Contributed materials and services 265,829 427,140 53,564 746,533 Other support 41,086 11,000 2,000 544,085 Total support 18,678,202 438,140 55,564 19,171,906 REVENUE: Sales 728,584 - - 728,584 Investment income 350,702 137,753 15,933 504,385 Special events 107,228 - 107,228 - 107,228 Program services income 444,086 - - 120,804 - - 120,804 Other revenue 2,773,327 137,753 15,933 2,927,013 - - 120,804 Total support and revenue 2,2001,665 25,757 71,497 22,098,919 EXPENSES: Program services: - - - 1,282,922 Sub operations, cloautional and interpretive programs 10,321,489 - - 1,428,923 <t< td=""><td></td><td></td><td>_</td><td></td><td></td></t<>			_		
Contributions 265,829 427,140 53,564 766,533 Contributions 664,123 - 664,123 Other support 18,678,202 438,140 55,564 19,171,906 REVENUE: 3alcs - - 728,584 - - 728,584 Annissions and parking 630,702 137,753 15,933 504,388 Admissions and parking 630,702 - - 662,209 Program services income 444,086 - - 107,223 - - 107,223 Total support and revenue 22,071,337 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - - 100,221,489 Yeogram revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: - - 1,748,359 - - 1,748,252 Program sevenues 2,038,322 - - 2,958,322 - 2,958,322 - <t< td=""><td></td><td></td><td>_</td><td>-</td><td></td></t<>			_	-	
Contributed materials and services 64,123 Control conte contro conte control contro control control control contro co			427 140	57 561	
Other support 41,086 11,000 2,000 54,086 Total support 18,678,202 438,140 55,564 19,171,906 REVENUE: Sales 728,584 - - 728,584 Investment income 350,702 137,753 15,933 504,388 Admissions and parking 650,200 - - 650,200 Memberships and subscriptions 371,633 - - 107,228 Program synthesis income 144,086 - - 107,238 Other revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Program expenses: 10,321,489 - - 10,321,489 Subte archives and library 1,48,359 - 1,48,359 - 1,48,359 Historic preservation office 2,958,322 - 2,1852,324 - <			427,140	33,304	
Total support 18,678,202 438,140 55,564 19,171,906 REVENUE: 3ales 728,584 - - 728,584 Investment income 300,702 137,753 15,933 504,388 Admisions and parking 650,290 - - 650,290 Memberships and subscriptions 371,633 - - 170,223 Program services income 444,086 - - 444,086 Other revenue 120,804 - - 120,804 Total arvenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - Total aupport and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Program expenses: - 10,321,489 - - 10,321,489 Sub opentions, education and interpretive programs 10,321,489 - 10,321,489 - 10,321,489 Program expenses: - 1,482,392 -			11,000	-	
REVENUE: 728,584 - - 728,584 Investment income 350,702 13,7753 15,933 504,388 Admissions and parking 650,290 - - 650,290 Memberships and subscriptions 371,633 - - 177,163 Special events 107,228 - - 107,228 Program services income 444,086 - - 120,804 Other revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSE: Program expenses: 10,321,489 - - 1,748,359 State operations, educational and interpretive programs 1,0,321,489 - - 1,482,352 Orpital projects 2,958,322 - - 1,482,352 - 1,482,352 Sub archives and library 1,478,150 - - 1,482,352	Oner support	41,000	11,000	2,000	54,080
Sales 728,584 - - 728,584 Investment income 350,702 137,753 15,903 5604,388 Admissions and parking 650,200 - - 650,200 Memberships and subscriptions 371,633 - - 171,633 Special events 107,228 - - 107,228 Program services income 444,086 - - 444,086 Other revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Program expenses: - 10,321,489 - - 1,748,359 State archives and library 1,482,359 - - 1,482,352 - 1,482,352 Capital projects 2,958,322 - - 2,4958,322 - - 1,482,359 Management and generul 4,178,150 - <td>Total support</td> <td>18,678,202</td> <td>438,140</td> <td>55,564</td> <td>19,171,906</td>	Total support	18,678,202	438,140	55,564	19,171,906
Investment income 350,702 137,753 15,933 500,388 Admissions and parking 650,290 - - 650,290 Memberships and subscriptions 371,633 - - 107,228 Special events 107,228 - - 107,228 Program services income 120,804 - - 120,804 Total revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 (550,136) - - Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Net assets released from restriction - 10,321,489 - - 10,321,489 Site operations, educational and interpretive programs 10,321,489 - - 1,478,359 - - 10,321,489 Site operations, educational and interpretive programs 10,321,489 - - 1,478,359 Manugement and general 4,174,150 - - 4,178,150 Da	REVENUE:				
Investment income 350,702 137,753 15,933 604,388 Admissions and parking 650,290 - - 650,290 Memberships and subscriptions 371,633 - - 107,228 - - 107,20 Program services income 107,228 - - 107,228 - - 107,20 Total revenue 2,773,327 137,753 15,933 2,927,013 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 120,804 - - 144,085 - 140,315 - 14,74,315 5 137,753 15,933 2,927,013 - 14,74	Sales	728,584	-	12	728,584
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 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction	Investment income	350,702	137,753	15,933	
Memberships and subscriptions 371,633 - - 371,633 Special events 107,228 - - 107,233 Program services income 444,086 - - 120,804 Total revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - Total support and revenue 22,001,665 25,757 71,497 22,09,8919 EXPENSES: Program expenses: - - 1,748,359 - - 1,748,359 Site operations, educational and interpretive programs 10,321,489 - - 1,428,932 - - 1,428,932 - 1,428,932 - 1,428,932 - 1,428,932 - - 1,428,932 - - 1,428,932 - - 1,428,932 - - 1,428,932 - - 1,428,932 - - 2,958,322 - - 2,958,322 - - 2,137 -	Admissions and parking		-	_	
Special events 107,228 - - 107,228 Program services income 444,086 - - 444,086 Other revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - Total revenue 2,001,665 25,757 71,497 22,098,919 EXPENSES: Program expenses: - 1,748,359 - - 1,748,359 Site operations, elucational and interpretive programs 10,321,489 - - 10,321,489 Site operations end library 1,748,359 - 1,748,359 - 1,748,359 Support services: 2,958,322 - 1,748,359 - 1,748,359 Support services: 2,958,322 - 2,958,322 - 2,958,322 Support services: 730,935 - 730,935 - 730,935 Fundraising 4178,150 - - 4178,150 - 4178,150 - -			-		
Program services income Other revenue 444,086 120,804 - - 444,086 120,804 Total revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Program expenses: - 10,321,489 - - 10,321,489 State archives and library 1,748,359 - - 10,321,489 Historic preservation office 2,958,322 - - 2,958,322 Capital projects 2,958,322 - - 2,958,322 Management and general 4,178,150 - - 1,482,932 Business ventures 730,935 - - 1,482,137 Total expenses 21,852,324 - 21,852,324 Changes in net assets before changes related to collection items not capitalized and unrealized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized med unre			<u>2</u>	-	
Other revenue 120,804 - - 120,804 Total revenue 2,773,327 137,753 15,933 2,927,013 Net assets released from restriction 550,136 - - - Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Program expenses: 10,321,489 - 10,321,489 Site operations, educational and interpretive programs 10,321,489 - 10,321,489 Site archives and library 1,748,359 - 1,482,932 Capital projects 2,958,322 - 2,958,322 Support services: 30,935 - 730,935 Management and general 4,178,150 - 4,178,150 Business ventures 730,935 - 21,852,324 Total expenses 21,852,324 - 21,852,324 Changes in net assets before changes related to collection items not capitalized and unrealized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized munealized ga			-		
Net assets released from restriction 550,136 (15,13) (15,13) (15,13) Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Program expenses: 3ite operations, educational and interpretive programs 10,321,489 - - 10,321,489 State archives and library 1,748,359 - 17,48,359 - 17,48,359 Historic preservation office 1,482,932 - 1,482,932 - 1,482,932 Capital projects 2,958,322 - 2,958,322 - 2,958,322 Support services: 14,178,150 - - 4,178,150 - 4,178,150 Management and general 4,178,150 - - 21,852,324 - 21,852,324 Total expenses 21,852,324 - - 21,852,324 - 21,852,324 Changes in net assets before changes related to collection items not capitalized and unrealized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized			-	-	120,804
Total support and revenue 22,001,665 25,757 71,497 22,098,919 EXPENSES: Program expenses: 10,321,489 - - 10,321,489 Site operations, educational and interpretive programs 10,321,489 - - 10,321,489 Site archives and library 1,748,359 - - 1,748,359 Historic preservation office 1,482,932 - 1,748,359 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 - 730,935 Fundraising 432,137 - 432,137 - 432,137 Total expenses 21,852,324 - 21,852,324 - 21,852,324 Changes in net assets before changes related to collection items not capitalized and uncealized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items prechased but not capitalized (36,928) - - (36,928)	Total revenue	2,773,327	137,753	15,933	2,927,013
EXPENSES: Program expenses: Site operations, educational and interpretive programs10,321,489 1,748,359-10,321,489 1,748,359State archives and library Historic preservation office Capital projects1,748,359 2,958,322-1,748,359 2,958,322Support services: Management and general Business ventures Fundraising4,178,150 432,137-4,178,150 432,137Total expenses21,852,324 21,852,324-21,852,324 21,852,324-21,852,324Changes in net assets before changes related to collection items 	Net assets released from restriction	550,136	(550,136)		
Program expenses: 3ite operations, educational and interpretive programs 10,321,489 - - 10,321,489 Site operations, educational and interpretive programs 1,482,932 - - 1,482,932 Capital projects 2,958,322 - - 2,958,322 Support services: 4,178,150 - - 4,178,150 Management and general 4,178,150 - - 4,178,150 Business ventures 730,935 - - 21,852,324 Total expenses 21,852,324 - 21,852,324 Changes in net assets before changes related to collection items not capitalized and change in net realized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized (36,928) - - (36,928) Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net assets before transfer 546,724 225,867 68,143 840,734 Net realized and unrealized gains (losses) - - 3,368,827 13,042,260 Changes in net assets 70,556	Total support and revenue	22,001,665	25,757	71,497	22,098,919
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 $730,935$ - - $730,935$ - - $730,935$ Fundraising $432,137$ - - $21,852,324$ - - $21,852,324$ Changes in net assets before changes related to collection items not capitalized and unrealized gains and losses on investments $149,341$ $25,757$ $71,497$ $246,595$ Collection items purchased but not capitalized $(36,928)$ - - $(36,928)$ Net realized and unrealized gains (losses) $434,311$ $200,110$ $(3,354)$ $631,067$ Changes in net asset before transfer $546,724$ $225,867$ $68,143$ $840,734$ Transfer of fund restrictions $(476,168)$ $289,470$ $186,698$ - Changes in net assets $70,556$ $515,337$ $254,841$ $840,734$ NET ASSETS, beginning of year $6,417,410$ $3,256,023$ <td>Program expenses: Site operations, educational and interpretive programs</td> <td></td> <td>-</td> <td>-</td> <td></td>	Program expenses: Site operations, educational and interpretive programs		-	-	
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 - - 730,935 Fundraising 432,137 - - 21,852,324 - - 21,852,324 Changes in net assets before changes related to collection items not capitalized and change in net realized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized (36,928) - - (36,928) Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net assets before transfer 546,724 225,867 68,143 840,734 Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260			-	-	
Support services: 4,178,150 - 4,178,150 Business ventures 730,935 - 730,935 Fundraising 432,137 - - 432,137 Total expenses 21,852,324 - - 21,852,324 Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized (36,928) - - (36,928) Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net asset before transfer 546,724 225,867 68,143 840,734 Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260			-		
Management and general 4,178,150 - - 4,178,150 Business ventures 730,935 - - 730,935 Fundraising 432,137 - - 432,137 Total expenses 21,852,324 - - 21,852,324 Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized (36,928) - - (36,928) Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net asset before transfer 546,724 225,867 68,143 840,734 Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260		2,750,522	-		2,756,522
Business ventures 730,935 - - 730,935 Fundraising 432,137 - - 432,137 Total expenses 21,852,324 - - 21,852,324 Changes in net assets before changes related to collection items not capitalized and unrealized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized (36,928) - - (36,928) Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net asset before transfer 546,724 225,867 68,143 840,734 Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260		4 178 150			4 179 160
Fundraising 432,137 - - 432,137 Total expenses 21,852,324 - 21,852,324 Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized multicated gains (losses) (36,928) - - (36,928) Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net asset before transfer 546,724 225,867 68,143 840,734 Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260					
Total expenses21,852,324-21,852,324Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments149,34125,75771,497246,595Collection items purchased but not capitalized Net realized and unrealized gains (losses)(36,928)(36,928)Changes in net asset before transfer546,724225,86768,143840,734Transfer of fund restrictions(476,168)289,470186,698-Changes in net assets70,556515,337254,841840,734NET ASSETS, beginning of year6,417,4103,256,0233,368,82713,042,260			. 	10 - 5	
Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and losses on investments149,34125,75771,497246,595Collection items purchased but not capitalized Net realized and unrealized gains (losses)(36,928)(36,928)Changes in net asset before transfer546,724225,86768,143840,734Transfer of fund restrictions(476,168)289,470186,698-Changes in net assets70,556515,337254,841840,734NET ASSETS, beginning of year6,417,4103,256,0233,368,82713,042,260	Fundaising	432,137			432,137
not capitalized and change in net realized and unrealized gains and losses on investments149,34125,75771,497246,595Collection items purchased but not capitalized Net realized and unrealized gains (losses)(36,928)(36,928)Changes in net asset before transfer546,724225,86768,143840,734Transfer of fund restrictions(476,168)289,470186,698-Changes in net assets70,556515,337254,841840,734NET ASSETS, beginning of year6,417,4103,256,0233,368,82713,042,260	Total expenses	21,852,324		·	21,852,324
losses on investments 149,341 25,757 71,497 246,595 Collection items purchased but not capitalized (36,928) - - (36,928) Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net asset before transfer 546,724 225,867 68,143 840,734 Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260					
Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net asset before transfer 546,724 225,867 68,143 840,734 Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260		149,341	25,757	71,497	246,595
Net realized and unrealized gains (losses) 434,311 200,110 (3,354) 631,067 Changes in net asset before transfer 546,724 225,867 68,143 840,734 Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260	Collection items purchased but not capitalized	(36.928)	-	-	(36 928)
Transfer of fund restrictions (476,168) 289,470 186,698 - Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260			200,110	(3,354)	631,067
Changes in net assets 70,556 515,337 254,841 840,734 NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260	Changes in net asset before transfer	546,724	225,867	68,143	840,734
NET ASSETS, beginning of year 6,417,410 3,256,023 3,368,827 13,042,260	Transfer of fund restrictions	(476,168)	289,470	186,698	<u> </u>
	Changes in net assets	70,556	515,337	254,841	840,734
NET ASSETS, end of year \$ 6,487,966 \$ 3,771,360 \$ 3,623,668 \$ 13,882,994	NET ASSETS, beginning of year	6,417,410	3,256,023	3,368,827	13,042,260
	NET ASSETS, end of year	\$ 6,487,966	\$ 3,771,360	\$ 3,623,668	\$ 13,882,994

See notes to the financial statements.

CONSOLIDATED STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS YEAR ENDED JUNE 30, 2005

	Unrest	tricted	Tempor Restric		Permane Restrict			Total
SUPPORT:								
State appropriations:								
Operating subsidies	\$ 12.4	88,385	S	-2	\$	2	S	12,488,385
Capital projects		82,862		_		-		1,982,862
Ohio Bicentenial Commission	-1-	-	5	6,419				56,419
Ohio Bicentennial Commission - other support		-		6,511		-		26,511
Government contracts and grants	1.5	53,007		-		-		1,553,007
Private contracts and grants		45,902		-		.2		145,902
Contributions		69,677	63	5,199	59	,674		1,064,550
Contributed materials and services		806,224		-		-		806,224
Other support		43,974	• • • • • • • • • •	6,000	5	,000		54,974
Total support	17,3	90,031	72-	4,129	64	,674		18,178,834
REVENUE:								
Sales	6	00,973		-		2 4		600,973
Investment income	1	92,556	8	9,896		-		282,452
Admissions and parking	6	22,778		-				622,778
Memberships and subscriptions	3	12,923		-		-		312,923
Special events		12,566		-				12,566
Program services income		18,971		-		2 - 2		518,971
Other revenue		22,978		<u></u>		-		122,978
Total revenue	2,3	83,745	8	9,896		-		2,473,641
Net assets released from restriction	7	85,938	(78:	5,938)				-
Total support and revenue	20,5	59,714	21	8,087	64	,674		20,652,475
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	10.2	51,782		-				10,251,782
State archives and library		42,103		-		-		1,742,103
Historic preservation office		09,583		-		-		1,609,583
Capital projects		49,045		-		-		1,849,045
Ohio Bicentennial Commission		72,223				-		372,223
Support services:	2	12,223		-				372,223
Management and general	78	42,467						2,842,467
Business ventures		18,604		-		-		20.00
Early retirement incentive program		94,476						318,604
Fundraising		92,552				-		94,476
							993), FRE 94	392,552
Total expenses	19,4	72,835		-		-		19,472,835
Changes in net assets before changes related to collection items not capitalized and change in net realized and unrealized gains and								
losses on investments	1,0	86,879	28	8,087	64	,674		1,179,640
Collection items purchased but not capitalized	(30,721)		-		-		(30,721)
Net realized and unrealized gains (losses)		33,040		-		-		533,040
Changes in net asset before transfer	1,5	89,198	28	3,087	64	,674		1,681,959
Transfer of fund restrictions		9,415	(120),000)	110	,585		
Changes in net assets	1,5	98,613	(9)	1,913)	175	,259		1,681,959
NET ASSETS, beginning of year	4,8	18,797	3,347	7,936	3,193	,568		11,360,301
NET ASSETS, end of year	\$ 6,4	17,410	\$ 3,250	5,023	\$ 3,368	,827	S	13,042,260

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CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2006 AND 2005

		2006		2005	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Changes in net assets	\$	840,734	\$	1,681,959	
Adjustments to reconcile changes in net assets to net cash					
provided (used) by operating activities:					
Realized and unrealized gain on investments		(631,067)		(533,040)	
Depreciation		112,472		106,905	
Contributions restricted for long-term investments		(53,564)		(59,674)	
Loss on disposal of property and equipment		12,257			
(Increase) decrease in operating assets:					
Receivables		(1,343,858)		(391,982)	
Inventory		14,880		7,194	
Accrued interest receivable and other assets		(92,403)		200,016	
Increase (decrease) in operating liabilities:					
Accounts payable		649,849		183,806	
Accrued salaries and wages ond other accrued liabilities		154,383		(119,261)	
Accrued leave liability		120,579		(268,932)	
Deferred state support		(2,895)		(103)	
Deferred subscription and other revenue	×	34,421		148,008	
Net cash provided by (used in) operating activities		(184,212)		954,896	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of long-term investments and reinvested					
interest and dividends		(11,484,079)		(688,273)	
Proceeds from the sale and maturity of long-term investments		8,649,463		1,012,372	
Payments for the purchase of property and equipment		(297,588)		(110,099)	
Net cash provided by (used in) investing activities		(3,132,204)		214,000	
CASH FLOWS FROM FINANCING ACTIVITIES:					
Contributions designated for endowment purposes		53,564	_	59,674	
Net cash provided by financing activities	- 100 C 1 100 C 100 C	53,564	2	59,674	
Net increase (decrease) in cash and cash equivalents		(3,262,852)		1,228,570	
CASH AND CASH EQUIVALENTS, beginning of year		6,585,235		5,356,665	
CASH AND CASH EQUIVALENTS, end of year	\$	3,322,383	\$	6,585,235	
			-		

SUPPLEMENTAL NON-CASH TRANSACTIONS

During 2006 and 2005, donors of the Organization redesignated \$476,168 and \$120,000, respectively, of unrestricted net assets to temporarily and permanently restricted net assets.

See 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 historical journal, a magazine, books 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 financial statements of the Society and Affiliate (collectively, the Organization) have been prepared on the accrual basis of accounting, except as discussed below in the property and equipment section of this Note. The significant accounting policies followed are described below.

Use of Estimates

The preparation of 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 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 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 and \$22,600 as of June 30, 2006 and 2005, respectively. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change.

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

Equipment is depreciated over the assets' useful life and the expense charged against operations. Depreciation is calculated using the straight-line method.

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.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Subsidies

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

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

Contributions and Memberships

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:

<u>Unrestricted</u> - 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.

<u>Temporarily Restricted</u> - 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.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Quasi-Endowment Funds

The Organization maintains quasi-endowment funds, which contain a portion of undistributed earnings from a previous challenge grant and other unrestricted contributions earmarked as quasi-endowment by the Organization's Board of Trustees.

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 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.

	20	06	2005		
Kind of Service	Hours Contributed	Estimated Value	Hours Contributed	Estimated Value	
Interpretive Services Collection/Curatorial	39,131	\$ 436,305	46,114	\$ 461,135	
Services	3,173	42,222	3,788	55,382	
Maintenance	2,794	27,935	5,930	59,303	
Research	1,365	19,031	6,068	91,020	
Clerical Services	8,667	96,637	3,836	57,533	
Gift Shop/Sales	1,816	14,978	783	7,832	
Fundraising	350	25,676	816	45,058	
All Other Services	2,028	31,339	2,025	28,961	
Total	59,324	\$ 694,123	69,360	\$ 806,224	

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.

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30 are comprised of:

2006	2005
\$ 2,129,777	\$ 1,685,635
1,192,606	3,635,923
	1,263,677
\$ 3,322,383	\$ 6,585,235
	\$ 2,129,777 1,192,606

Concentration of Financial Risk

As of June 30, 2006 and 2005, 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 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:

	200	6	200:	5
	Cost	Market	Cost	Market
Certificates of Deposit Common and	\$ 149,000	\$ 149,000	\$ 449,007	\$ 449,007
Preferred Stocks Corporate	-	1,165	2,984,700	3,432,812
and State Gov't Bonds Diamond Hill	-	-	944,056	978,736
Focus Fund		. 	1,769,635	2,857,314
Mutual funds	10,990,378	11,033,387	.=	
Total	\$ 11,139,378	\$11,183,552	\$ 6,147,398	\$ 7,717,869

NOTE 4: LONG-TERM INVESTMENTS (Continued)

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

	2006	2005
Interest and Dividends	\$ 504,388	\$ 282,452
Realized Gains	2,263,470	36,828
Unrealized (Losses) Gains	(1,632,403)	496,212
Total	\$ 1,135,455	\$ 815,492

At June 30, 2006 and 2005, the Organization had on deposit with the Ohio Bureau of Employment Services \$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.

NOTE 5: CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30 consist of the following:

Contributions Receivable	 2006	2	2005
From individuals	\$ 98,272	\$	148,269
From corporations	80,400		193,250
Contributions receivable before unamortized discount	178,672	1	341,519
Less: Unamortized discount	(10,592)		(6,696)
Less: Allowance for doubtful accounts	(20,336)		(22, 565)
Net contributions receivable	\$ 147,744	\$	312,258
Amounts due in:			
Less than one year	\$ 4,130	\$	176,552
One to five years	174,542		164,967
Less: Unamortized discount	(10, 592)		(6,696)
Less: Allowance for doubtful accounts	(20,336)		(22,565)
Total	\$ 147,744	\$	312,258

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.

NOTE 6: PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Plan members, Organization employees, are required to contribute 8.5% (9% effective January 1, 2006) of their annual covered salary to fund pension obligations, and the Organization is required to contribute 13.31% (13.54% effective January 1, 2006) in 2006 and 2005. 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, 2006 and 2005 were approximately \$1,332,000 and \$1,211,000, 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 fiscal years 2006 and 2005 employer contribution rates were 13.31% (13.54% effective January 1, 2006) of covered payroll; 4.3% (4.5% effective January 1, 2006) 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.

NOTE 7: STATE CAPITAL APPROPRIATIONS

As of June 30, 2006, 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 \$5,840,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

NOTE 8: NET ASSETS

As of June 30, 2006 and 2005, temporarily restricted net assets are all available for future year operations. Amounts are as follows:

Temporarily Restricted Net Assets	2006	2005
Ohio Bicentennial Commission	\$ 276,027	\$ 298,370
For specific sites and programs	2,557,812	2,228,356
Quasi-Endowment	937,521	729,297
Total	\$ 3,771,360	\$ 3,256,023

NOTE 8: NET ASSETS (Continued)

Net assets were released from donor restrictions during fiscal years 2006 and 2005 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	-s ::	2006	-	2005
Ohio Bicentennial Commission For specific sites and purposes	\$	22,343 527,793	\$	372,223 413,715
Total	\$	550,136	\$	785,938

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

Permanently Restricted Net Assets	2006	2005
No restrictions on use of income	\$ 825,336	\$ 825,336
For specific sites and purposes	2,798,332	2,543,491
Total	\$ 3,623,668	\$ 3,368,827

NOTE 9: COLLECTIONS AND EXHIBITS

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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 2006 and 2005.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: PROPERTY AND EQUIPMENT

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

	2006	2005
Machinery and equipment	\$ 928,772	\$ 634,726
Vehicles	350,984	415,450
Buildings	3,540	
Gross fixed assets	1,283,296	1,050,176
Less: accumulated depreciation	(788,431)	(728,170)
Net book value	\$ 494,865	\$ 322,006

Depreciation expense for the years ended June 30, 2006 and 2005 approximated \$112,000 and \$107,000, 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, 2006 will not have a material adverse effect on the Organization's financial position and results of operations.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

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2300 Baton Rouge Avenue Lima, OH 45805-1130 PH 419-331-1040 FAX 419-331-1120 www.reacpa.com

August 24, 2006

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, 2006 and have issued our report thereon dated August 24, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters that we have reported to management of The Ohio Historical Society and Affiliate in a separate letter dated August 24, 2006.

Compliance and Other Matters

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

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Medina

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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.

Kea & associates, Inc.

Rea & Associates, Inc.

Rea & Associates, Inc.

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August 24, 2006

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, 2006. 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, 2006.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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 these specified parties.

Kea & desociates, Inc.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass Through Grantor/	CFDA	Federal
Program Title	Number	Disbursements
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION National Historical Publications and Records Commission:		
Ohio Historical Records Advisory Board Planning	89-003	\$ 4,357
One instruct records retristry board i fanning	89-005	4,357
INSTITUTE OF MUSEUM AND LIBRARY SERVICES:		1,CC,P
General Operating Support	45.301	82,928
DEPARTMENT OF EDUCATION thru Columbus Public Schools		
Teaching American History Grant (Contract with Columbus Public Schools)	84.215x	23,996
History in the Heartland (Contract with Mid-Ohio Educational Service Center)	84.215x	58,757
History Works II (Contract with Columbus Public Schools)	84.215x	50,428
Think History	84.215x	88,899
		222,080
DEPARTMENT OF THE INTERIOR		
U.S. Fish and Wildlife Service	15.FFC	39,148
National Park Service - Buffington Island Battlefield Plan	15.904	30,381
National Park Service - Grant Boyhood Home	15.904	238,516
National Park Service - Save America's Treasures	15.904	156,709
National Park Service - John Rankin House	15.904	18,866
National Park Service - Dunbar ADA Access	15.904	5,765
National Historical Preservation Act		489,385
Historic Preservation Fund	15.904	41,150
Historic Preservation Fund	15.904	186,226
Historic Preservation Fund	15.904	65,585
Historic Preservation Fund	15.904	476,896
	10.001	769,857
FEDERAL HIGHWAY ADMINISTRATION		, 0,,00,
Morgan's Raiders Highway Markers (Contract with ODOT)	20.205	5,000
NATIONAL ENDOWMENT FOR THE HUMANITIES		
Mounds, Earthworks, and the Pre-History of the Ohio Valley	45.168	6,229
TOTAL		\$ 1,579,836

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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:

	Federal	Amount
	CFDA	Provided to
Program Title	Number	Subrecipients
National Historic Preservation Act	15.904	\$ 69,571

SCHEDULE OF FINDINGS AND QUESTIONED COSTS OMB CIRCULAR A-133 , Section .505 JUNE 30, 2006

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

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SCHEDULE OF PRIOR AUDIT FINDINGS

FINANCIAL STATEMENT FINDINGS

No matters reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2006

	2		Ohio Historical Society	l Society				ō	Ohio Historical Society Foundation	Foundation	
		Unrestricted	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Total	न	Unrestricted	ted	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Total
ASSETS CURRENT ASSETS:											
Cash and cash equivalents Receivables:	s	1,512,022 S	276,027	S	S 1,78	1,788,049	s 1,0	1,031,349 \$	97,303 \$	405,682	405,682 S 1,534,334
Grants		482,220	9		48	482,220			•		
Contracts		2,254,250	2		2,25	2,254,250		1			•
Contributions		X	ł						147,744		147,744
Other		193,323			19	193,323		7,397	•		7,397
Inventory, net of allowance of \$65,500		489,857	•	•	48	489,857		•	ï	•	
Accrued interest receivable and other assets		205,097			20	205,097		,	34,199		34,199
Total current assets		5,136,769	276,027	•		5,412,796	1,0	1,038,746	279,246	405,682	1,723,674
PROPERTY AND EQUIPMENT, net		494,865	٠		49	494,865			·		•.4
LONG-TERM INVESTMENTS		1,513,250			1,51	,513,250	3,2	3,236,229	3,216,087	3,217,986	9,670,302
Total assets	s	7,144,884 \$	276,027	- S	S 7,42	7,420,911	S 4,2	4,274,975 S	3,495,333 \$	3,623,668	\$ 11,393,976
LIABILITIES AND NET ASSETS CURRENT LIABILITIES:											
Accounts payable	s	1,344,173 \$,	, S	S 1,34	1,344,173	S	165,978 \$, ,		\$ 165,978
Accrued salaries and wages and other accrued liabilities		1,416,790	•	ł	1,41	1,416,790					•
Accrued leave liability		1,452,013	i.		1,45	,452,013					ı
Deferred state support		17,035		ſ	1	17,035			,	r	
Deferred subscription and other revenue		535,904		1	53	535,904	2	e	c	•	ĸ
Total current liabilities		4,765,915	•	1	4,76	4,765,915	-	165,978	ł	•	165,978
NET ASSETS:											
Operations Board designated		1,271,976	*		1,27	976,172,1	2,6	2,632,867	2,557,812		5,190,679
Reserves		477,613	i	•	47	477,613		×		L	•
Specific programs and projects		629,380	•		62	629,380		6 5,	ंगः	E	r
Ohio Bicentennial Commission		a.	276,027	1	27	276,027		•			•
Endowment fund balance		•	•					•	•	3,623,668	3,623,668
Quasi-Endowment			3	2			1,4	1,476,130	937,521	3J.	2,413,651
Total net assets		2,378,969	276,027		2,65	2,654,996	4,11	4,108,997	3,495,333	3,623,668	11,227,998
Total liabilities and net assets	s	7,144,884 \$	276,027		\$ 7,42	7,420,911	\$ 4,2	4,274,975 S	3,495,333 \$	3,623,668	3,623,668 \$ 11,393,976

		Combined Total	ed Total		Intercompan	Intercompany Adjustments		Consolidated Total	ted Total	
	Unrestricted	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Total	SHO	OHSF	Unrestricted	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Total
<u>ASSETS</u> CURRENT ASSETS:										
Cash and cash equivalents Receivables:	\$ 2,543,371	2 0EE,ETE 2	\$ 405,682 \$	3,322,383		s	S 2,543,371 S	\$ 055'52 \$	405,682	\$ 3,322,383
Grants	482,220	,	•	482,220	,		482,220		•	482,220
Contracts	2,254,250	ä		2,254,250	3		2,254,250	. 20	,	2,254,250
Contributions		147,744	×	147,744	1		•	147,744	9	147,744
Other	200,720			200,720	(173,293)	•	27,427	ł		27,427
Inventory, net of allowance of \$65,500	489,857	,	t	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)	•1	6,002,222	555,273	405,682	6,963,177
PROPERTY AND EQUIPMENT, net	494,865		•	494,865			494,865		•	494,865
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	\$ 11,419,859	\$ 3,771,360	\$ 3,623,668 \$	18,814,887	S (173,293)	-	S 11,246,566	S 3,771,360	S 3,623,668	\$ 18,641,594
LIABILITIES AND NET ASSETS CURRENT LIABILITIES:										
Accututs payante Accuted salaries and unors and other accuted habilities	161,016,1 6	•	•	161,016,1 007 314 1	•	<pre>> (100,2/0)</pre>	188,696,1 6		, A	5 1,343,881 1 4 14 700
Accrucial leave liability	1,452.013			1.452.013			1,452.013			1 457 013
Deferred state support	17,035	r.	r	17,035	i	T	17,035		ł	17,035
Deferred subscription and other revenue	535,904		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	535,904		(520'1)	528,881	,	,	528,881
Total current liabilities	4,931,893		9	4,931,893	•	(173,293)	4,758,600	•		4,758,600
NET ASSETS:										
Operations	3,904,843	2,557,812	ŀ	6,462,655		T	3,904,843	2,557,812	3	6,462,655
poart designated Reserves	477,613	•		477,613		,	477.613			477.613
Specific programs and projects	629,380		•	629,380		ŗ	629,380	1	·	629,380
Ohio Bicentennial Commission	•	276,027	•	276,027		•	•	276,027	ı	276,027
Endowment fund balance			3,623,668	3,623,668		Ŧ		ł	3,623,668	3,623,668
Quasi-Endowment	1,476,130	937,521	-	2,413,651			1,476,130	937,521	'n	2,413,651
Total net assets	6,487,966	3,771,360	3,623,668	13,882,994		•	6,487,966	3,771,360	3,623,668	13,882,994
Total liabilities and net assets	S 11,419,859	\$ 3,771,360	\$ 3,623,668 \$	18,814,887	. <u>s</u>	S (173,293)	S 11,246,566	S 3,771,360	\$ 3,623,668	S 18,641,594

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

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CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2005

			Uhio Historical Society	cal bociety				2	UND TRUE TO THE PORTER A DURINE TO THE PORTER OF THE	manning I from		
	ŋ	Unrestricted	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>		Total	Unrestricted	ricted	Temporanly <u>Restricted</u>	Permanently <u>Restricted</u>		Total
CTIDDENT ACCETS.												
CORRENT ASSELS. Cash and cash equivalents Recritichles:	S	3,458,466 \$	298,370 5	2	S	3,756,836	s 1,	1,261,240 S	883,783 \$	\$ 683,376 \$		2,828,399
Grants		263,871	•			263,871		•	Ĩ	×.		
Contracts		931,777	۲	ì		931,777		r	•	·		•
Contributions		•	•			•		a.	312,258			312,258
Other		170,495	•	•		170,495		640	1,359	a		1,999
Inventory, net of allowance of \$146,300		504,737				504,737		•	1	•		1
Accrued interest receivable and other assets Total current accele		95,266 5 474 617	798.170	• •		95,266 5.722.982	1	11,897	051,05 1.237,130	- 683,376		3,194,283
PROPERTY AND EQUIPMENT, net		322,006				322,006		ŝ	٠			•
LONG-TERM INVESTMENTS		459,189	•	•		459,189	2.	2,852,706	1,720,523	2,685,451		7,258,680
Total assets	s	6,205,807 \$	298,370	' S	S	6,504,177	5 4,	4,126,483 \$	2,957,653	5 3,368,827	S	10,452,963
LIABILITIES AND NET ASSETS												
Accounts payable	S	\$ 2863,982	ť	, ,	s	693,982	s	112,667 \$	•	۔ ۲	s	112,667
Accrued salaries and wages and other accrued liabilities		1,262,407		ä		1,262,407		•		ī		ï
Accrued leave liability		1,331,434	ı	•		1,331,434		•				
Deferred state support		19,930		ı		19,930		C)	•			•
Deferred subscription and other revenue		494,460	30	•		494,460	8	•				•
Total current liabilities		3,802,213	•	1		3,802,213		112,667	•			112,667
NET ASSETS:												
Operations		1,219,988	٠	ì		1,219,988	4	2,727,868	2,228,356		2	4,956,224
Board designated		33C 12V				471 255				,		,
Reserves Summits maximums and projects		712.351	. 9			712.351		2 38	•	Ĩ		8
Ohio Ricentennial Commission		•	298.370			298,370		r	ł			
Endowment fund balance		,		1				•		3,368,827		3,368,827
Ouasi-Endowment				•			1,	1,285,948	729,297			2,015,245
Total net assets		2,403,594	298,370	4		2,701,964	4	4,013,816	2,957,653	3,368,827		10,340,296
Total linkitine and net accets	v				5	6.504.177		4.126.483 \$	2,957,653	3,368,827		\$ 10,452,963
Total liabilities and net assets	s	6,205,807 S	298,370 \$	- -	5	6,504,177	S 4,				s	5 3,368,827

		Combined Total	ed Total		Interco	Intercompany Adjustments	stments		Consolidated Total	ted Total	
	Unrestricted	Temporarily <u>Restricted</u>	Permanently Restricted	Total	OHS		OHSF	Unrestricted	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Total
CURRENT ASSETS:											
Cash and cash equivalents Receivables:	\$ 4,719,706	S 1,182,153	S 683,376	\$ 6,585,235	s	·		\$ 4,719,706	\$ 1,182,153	S 683,376	5 6,585,235
Grants	263,871	i	•	263,871		Ŧ		263,871	я	а	263.871
Contracts	777,169			777,159		r	1	931,777		ĸ	777,156
Contributions		312,258		312,258		•	•		312,258	в	312,258
Other	171,135	1,359	1	172,494	(11)	(112,617)	9	58,518	1,359		59,877
Inventory, net of allowance of \$146,300	504,737		ï	504,737			i	504,737			504,737
Accrued interest receivable and other assets	107,163	39,730	٠	146,893		-	10	107,163	39,730		146,893
Total current assets	6,698,389	1,535,500	683,376	8,917,265	(11)	(112,617)	,	6,585,772	1,535,500	683,376	8,804,648
PROPERTY AND EQUIPMENT, net	322,006	•	•	322,006		,		322,006	,	J.	322,006
LONG-TERM INVESTMENTS	3,311,895	1,720,523	2,685,451	7,717,869			ŝ	3,311,895	1,720,523	2,685,451	7,717,869
Total assets	\$ 10,332,290	\$ 3,256,023	\$ 3,368,827	S 16,957,140	S (112	(112,617) \$,	S 10,219,673	\$ 3,256,023	\$ 3,368,827	S 16,844,523
LIABILITIES AND NET ASSETS CURRENT LIABILITIES:											
Accounts payable	S 806,649	•	•	S 806,649	S	s	(112,617)	\$ 694,032		S .	\$ 694,032
Accrued salaries and wages and other accrued liabilities	1,262,407	1	•	1,262,407		,	3	1,262,407	8	3	1,262,407
Accrued leave liability	1,331,434	I.	٠	1,331,434			i.	1,331,434	3	a	1,331,434
Deferred state support	19,930			19,930		6	ē	19,930		÷	19,930
Deferred subscription and other revenue	494,460			494,460				494,460	-	1	494,460
Total current liabilities	3,914,880	·	•	3,914,880			(112,617)	3,802,263		ı	3,802,263
NET ASSETS:											
Operations	3,947,856	2,228,356	ï	6,176,212		ĩ	i	3,947,856	2,228,356	ï	6,176,212
Board designated											
Reserves	471,255	•	•	471,255			I	471,255	•		471,255
Specific programs and projects	712,351	ï		712,351			5	712,351	1	2	712,351
Ohio Bicentennial Commission	,	298,370	ł	298,370			i	•	298,370	ł	298,370
Endowment fund balance	•	•	3,368,827	3,368,827			•	•		3,368,827	3,368,827
Quasi-Endowment	1,285,948	729,297	•	2,015,245				1,285,948	729.297	-	2,015,245
Total net assets	6,417,410	3,256,023	3,368,827	13,042,260		-		6,417,410	3,256,023	3,368,827	13,042,260
Total liabilities and net assets	S 10,332,290	\$ 3,256,023	\$ 3,256,023 \$ 3,368,827 \$ 16,957,140	5 16,957,140	S	۰ ۲	(112,617)	\$ 10,219,673	S 3,256,023	\$ 3,368,827	\$ 16,844,523

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

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CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

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$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Total Uhrestricted	Restricted Restricted	y Total
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$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		ю ,	У
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	- 2,958,354 -		•
ics $\frac{70,393}{21,30}$ · · · · · · · · · · · · · · · · · · ·	- 1,847,494 -	•	
tics 601565			
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	861,602 PC4,001 -	177 0+1'/7t	745,564 F45,862
19,122,654 - - 19,122,654 - - 19,122,654 22,948 - - - - - 19,123,534 179,133 - - - - - - 179,133 - - - - - - 179,133 - - - - - - 170,934 - - - - - - 170,931 - - - - - - 174,930 (22,343) - - - - 10,31,489 - - - - - 11,748,393 - - - - - 11,748,393 - - - - - 11,748,393 - - - - - 11,748,393 - - - - - 11,748,393 - - - - - 11,748,393 - - - - - 11,843 - - - - - 11,843 - - - - - <td></td> <td>tr 000</td> <td>1000 C 000 C</td>		tr 000	1000 C 000 C
a 728,584 - </td <td></td> <td></td> <td>8</td>			8
a for the formation of			
a 229,408 - </td <td></td> <td></td> <td></td>			
a $\frac{179,135}{123,00}$ $\frac{660,230}{2,69,533}$ $\frac{179,135}{2,69,533}$ $\frac{179,135}{2,69,533}$ $\frac{179,135}{2,69,533}$ $\frac{179,135}{2,69,533}$ $\frac{179,139}{2,269,533}$ $\frac{179,139}$	- 229,408 121,294	137,753 15,9	15,933 274,980
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	- 650,290 -	•	•
and interpretive programs 10,244 (20,953) ·	- 379,133 -	•	
ns <u>173,844</u>	- 877,701 -		
ns <u>2,655 533</u> · · 20 21,804,530 (22,343) · 21, 21,804,530 (22,343) · 21, 21,804,539 · · 10, 1,732,339 · · 11, 1,732,339 · · 21, 2,958,322 · · 22, 2,958,322 · · 22, 1,732,339 · · 21, 2,958,322 · · 21, 2,958,322 · · 22, 2,958,322 · · 21, 2,958,322 · · 21, 2,958,322 · · 21, 2,958,323 · · 21, 1,732,93 · 21, 1,732,93 · 21, 1,732,93 · 21, 1,732,93 · 21, 1,732,93 · 21, 2,4632 · 12, 1,12, 1,12, 2,1333 · 21, 1,2343 · 21, 1,24,612 · 21, 2,4632 · 21, 2,1733 ·	- 120.804		
ns <u>2,143</u> (22,343) - 21, and interpretive programs 10,321,489 - 10, 1,328,332 - 2,958,322 - 2,14, 1,328,332 - 2,958,322 - 2,14, 1,328,332 - 2,958,322 - 2,14, 2,958,322 - 2,958,322 - 2,14, 2,958,322 - 2,14,099 - 2,14, 2,958,322 - 2,14,019 - 2,14,	- 2,659,533 121,294	137,753 627,761	33 274,980
and interpretive programs 10,231,489	10L LC3	ALOE FLAM	
21,804,530 (22,343) 21,3 and interpretive programs 10,321,489 - 10,1 1,748,339 - - 10,2 1,748,339 - - 10,1 1,748,339 - - 10,1 1,748,339 - - 10,2 1,748,339 - - 1,7 2,958,322 - - 1,1 2,958,322 - - 1,1 730,330 - - 1,1 730,330 - - - 1,1 730,330 - - - 1,1 40,380 - - - - 1,785,506 - - - - 1,802,483 - - - - 1,802,483 - - - - 1,802,483 - - - - 1,802,483 - - - - 1,802,483 - - - - 1,802,483 - - - - 1,802,483 - - - - 1,802,493 - - - -	561,12C	[66]/770]	
and interpretive programs 10,21,489 10, 1,748,359	- 21,782,187 964,418	48,100 71,497	97 1,084,015
and interpretive programs 10,211,489			
Li 422,992	DOT LEE DI		
1,422,932 - - 1,5 2,98,372 - - - 2,98,372 - - - 4,134,089 - - - 770,935 - - - 770,935 - - - 771,335 - - - 771,335 - - - 1,30,438 - - - 1,30,438 - - - 1,30,438 - - - 1,41,408 - - - 1,504 - - - 1,515 - - - 1,514 - - - 1,514 - - - 1,514 - - - 1,514 - - - 1,615 - - - 1,615 - - - 1,615 - - - 1,615 - - - 1,624 - - - 1,615 - - - 1,615 - - 1,615 - <td< td=""><td>- 684/175101 -</td><td></td><td>к з</td></td<>	- 684/175101 -		к з
2,958,322 - 2, 2, 4,134,089 - 4, 1 770,333 - 1, 1 770,335 - 21, 770,356 - 21, 770,356 - 21, 770,356 - 21, 770,356 - 21, 770,357 - 21, 770,357 - 21, 770,357 - 21, 771,357 - 21, 771,571 - 21, 771,577	- 1.482.932		
4,134,089 - - 4,134,089 - - 4,134,089 - - - 19,033 - - - 19,033 - - - 19,033 - - - 19,034 - - - 19,024 21,1785,506 - - 21,1785,506 - - 21,1785,506 - - 21,1794 21,174 - - 21,1794 21,179 - 19,024 (21,243) - - 10,111 - - 10,111 - - - 11,111 - - 11,111 - - - - 11,111 - - - 11,111 - - - - - - - 11,111 - <	- 2,958,322	•	•
4,13,039 - <			
4/3/3/3 - <t< td=""><td>- 4,134,089 44,061</td><td></td><td>44,061</td></t<>	- 4,134,089 44,061		44,061
21,785,506 - 21,785,506 changes related to adized and change 19,024 (22,343) ad losses on investment 19,024 (22,343) total change (6,728) - total change (6,728) - is (tosses) (6,728) - total change (24,612) (22,343) total change (6,728) - total change (24,612) (22,143) total change - - total change (24,612) (22,143) total change - - total change -	- CC4/NC7	• 3•	
21,785,506 - - 21,785,506 c dianges related to balized and change 19,024 (22,343) - ud losses on investment 19,024 (22,343) - 1 unot captualized (35,523) - - 1 t not capturation (24,612) (22,343) - 1 ciety Foundation - - - - - ciety Foundation - - - - - ciety - - - - - - ciety - - - - - - ciety - - - - - - -			
e dianges related to taited and change alized and change 10 otses on investment ins (tosses) (5,233) ins (tosses) (5,233) ins (tosses) (5,233)	21,785,506 74,518		74,318
ad losses on investment 19,024 (22,343)			
In or capitalized (36,928)		48,100 71,497	97 1,009,697
transfers (24,632) (22,343)	- (36,928) - (6,728) 441,039	C.E) 011,002	
ordy Foundation	- (46,975) 1,331,139	248,210 68,143	43 1,647,492
ciety Foundation	- (476,168)	289,470 186,698	- 86
2401.54 208.370 - 2.	•		
(24,632) (22,143) - 2,403,594 298,370 - 2,	- (759,793)		(759,793)
2,403,594 298,370 -	- (46,975) 95,178	537,680 254,841	41 887,699
	2,701,964 4,013,816	2,957,653 3,368,827	27 10,340,296
NET ACCETS and of una 2 Co 128 667 C 126 02 C 2 C C 2 C 0 000 C	3 FOO BUL F 3 080 F37 C 3	077 LL7 L 3 LLL 307 L	300 LLL 11 3 03

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71,497 (3,354) 53,564 --55,564 -15,933 71,497 68,143 186,698 254,841 EE6'51 , 1.1 . 427,140 11,000 (550,136) 25,757 200,110 137,753 25,757 225,867 289,470 515,337 • 728,584 350,702 650,290 371,633 107,228 444,086 120,804 120,804 (36,928) 434,311 (476,168) 10,321,489 1,748,359 1,482,932 2,958,322 4,178,150 730,935 432,137 550,136 149,341 546,724 70,556 22,001,665 21,852,324 (7,500) (759,783) (7,500) (7,500) (7,500) (767,283) î ŝ • (7,500) (767,283) (587,927) (759,783) (767,283) (7,500) (767,283) (767,283) . e a л х • ¥. . . 9 1 54,086 728,584 504,388 650,290 379,133 107,228 444,086 120,804 120,804 2,934,513 (36,928) 631,067 (E62'652) 10,321,489 1,748,359 1,482,932 2,958,322 4,178,150 730,935 439,637 22,866,202 1,006,378 840,724 1.600,517 21,859,824 71,497 - (1,354) 53,564 2,000 55,564 71,497 254,841 68,143 186,698 15,933 5,933 . . ų, 137,753 25,757 427,140 11,000 25,757 200,110 E27,751 (550,136) 225,867 289,470 515,337 728.584 350.702 650.290 379.133 107.228 444.086 120.804 2.780.827 (476,168) (36,928) 434,311 10,321,489 1,748,359 1,482,932 4,178,150 730,935 439,637 909,124 550,136 2,958,322 70,546 22,768,948 1.306,507 (759,793) 21,859,824 Program expenses: Site operations, educational and interpretive programs State archives and ihrary Historic preservation office in net unrealized gains and losses on investment Changes in net assets before changes related to collection items not capitalized and change Transfer of fund restriculons Transfers to Ohio Historical Society Foundation Transfers to Ohio Historical Society Collection items purchased but not capitalized Net realized and unrealized gains (losses) Changes in net assets before transfers State appropriations Operating subsidies Capital projects Government contracts and grants Private contracts and grants Contributions Contributed materials and services Net assets released from restrictions Admissions and parking Memberships and subscriptions Special events Capital projects Support services: Management and general Business ventures Total support and revenue Program services income Other revenue Change in net assels

4,178,150 730,935 432,137

21,852,324

Total expenses

Fundraising

10,321,489 1,748,359 1,482,932 2,958,322

616,860,52

(36,928) 631,067

840,734

840,734 13,042,260 3,623,668 5 13,882,994

3,368,827

3.771.360

6,487,966

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S (767,283) S (767,283)

3,623,668 \$ 13,882,984

3.771.360

6,487,956

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NET ASSETS, beginning of year

NET ASSETS, and of year

246,595

Consolidated Total Temporarily Permanently Restricted 3,256,023 , . ŝ 12,738,354 2,958,354 1,847,494 1,847,494 132,933 265,829 694,123 41,086 18,678,202 6,417,410 Unrestricted S . Intercompany Adjustments OHSF a . OHS Ś S 12,738,383 2,958,354 1,847,494 11,206,316 1,506,316 694,123 13,042,260 Total 3,368,827 a, Permanently Restricted Combined Total 5 3,256,023 Temporarily Restricted . , s 12,738,354 2,958,354 1,847,494 1,847,494 1,122,612 694,123 41,086 19,437,985 6,417,410 Unrestricted \$

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

PAGE 26

5 12,738,383 2,958,384 1,847,494 1,847,494 51,22,513 54,123 54,121 54,121 54,086

•

Total

728,584 504,388 650,290 371,633 107,228 444,086 120,804 120,804 2,927,013

Investment income

EVENUE

Sales

Total revenue

EXPENSES:

Other support Total support

SUPPORT:

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2005

		Ohio Histor	Ohio Historical Society			Ohio His	torical Socie	Ohio Historical Society Foundation	
	Unrestricted	Temporarily <u>Restricted</u>	Permanently Restricted	Total	Unrestricted		lemporarily J Restricted	Permanently <u>Restricted</u>	Total
SUPPORT.									
State appropriations: Onerating subsidies	SAF BAL CL 2	v	U	202 00V CT 3	3 50	u	L		
Capital projects	1,982,862					•	• •		1 30
Ohio Bicentennial Commission	•	56,419	R.	56,4			2	×	÷
Outo Discussing Contracts and orants	200 535 1	110,42	. 2	114,42	- 5		·	1	
Private contracts and grants	145.902	ю. 1		6 SFI			10 N	<u>e</u> a	6 0
Contributions	116,143	4	1	641,311			635,199	59,674	1,064,354
Contributed materials and services	761,166			761,166	66 45,058		•	•	45,058
Other support	28,209	a		28.2			21,394	5,000	66.285
Total support	17,600,842	82,930	ē	17,683,772	72 454,430		656,593	64,674	1,175,697
REVENUE:									
Sales	670,003			600,973				ł	ж
Investment income	92,915			92,9	15 99,641	41	89,896	4	189,537
Admissions and parking	622,778	ĸ	Ŀ	622,778			e 1		×
Memberships and subscriptions	312,923	я	•	512,515	ג		9		•
Special events	12,566	•		5,21			•	e.	r
Program services income	518,971	•	1	518,9			3	·	•
Total revenue	7 784 IDA	*: 1		8/6771 8/01 VBL C	- <u> </u>	14	908.08		100 617
				1,194,4		7	0/0'/0	•	100'201
Net assets released from restrictions	374,823	(374,823)	•				(411,115)	ð	
Total support and revenue	20,259,769	(291,693)	345	19,967,876	76 965,186		335,374	64,674	1,365,234
EXPENSES:									
Program expenses:									
Site operations, educational and interpretive programs	10,251,782	a .		10,251,782	. 22		•	1	2
State archives and library	1.742,103	t	,	1.742,103				•	10
Canital aminate	590'600'I	e a	. 8	580°600°1			e i	,	•
Ohio Bicentennial Commission	177.7TF		• •	LCC CLE			11 I		
Support services:					1				
Management and general	2,799,559			2,799,559	59 42,908	98			42,908
Business ventures	318,604	•	•	318,6			3	٠	ă.
Early retirement incentive program	94,476	•	,	94,476			1	124	
rundrasmg	444,494	,		347.4	94 45,058	58	X		45,058
Total expenses	19,384,869	¢	E.	19,384,869	69 87,966	99	£	ŗ	87,966
Changes in net assets before changes related to collection items not capitalized and change in net untralized trains and losses on investment	874,900	(291.893)	э	583.007	07 877.220		7/ESEE	P10 P3	896 226 1
3									
Collection items purchased but not capitalized Net realized and unrealized gains (losses)	(30,721)	o or		(30,721)	21) 533,040	0			533,040
Changes in net assets before transfers	844,179	(291,893)	201	552,286	86 1.410.260		335,374	64,674	1,810,308
Transfer of fund restrictions	3	а	3		9415		(120.000)	110 585	
Transfers to Ohio Historical Society Foundation Transfers to Ohio Historical Society	(24,126)	(15,394)	E N	(39,520)	(6				(641.115)
Change in net assets	820,053	(307,287)	·	512,766	56 778,560		215,374	175,259	1,169,193
NET ASSETS, beginning of year	1,583,541	605,657	e ŝ	2,189,198	3,235,256		2,742,279	3,193,568	9,171,103
NET ACCETS and of uses	ADA FOA C 3	000 300		420 IULL 3	2 710 E 10 F 2 F 2		3 1371301	3 100 076 5	102.022.01
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		Combined Total	d Total		Intercompany Adjustments	diustments		Consolidated Total	ted Total	
	Unrestricted	Temporarily <u>Restricted</u>	Permanently Restricted	Total	OHS	QIISE	Unrestricted	Temporarily <u>Restricted</u>	Permanently Restricted	Total
SUPPORT										
oute appropriations. Operating subsidies	S 12,488,385		S	S 12,488,385	S - S			۰ ۲	S	S 12,488,385
Capital projects Otica Bioartanial Commission	1,982,862			1,982,862	1		1,982,862		a	1,982,862
Ohio Bicentennial Commission + other support		26,511		26,511			• •	26,511	c a	26,511
Government contracts and grants	1,553,007			1,553,007	1	٠	1,553,007			1,553,007
Private contracts and grants	145,902			145,902	•	ï	145,902	•	•	145,902
Contributions	267,010,1 ACC 308	635,199	59,674	1,705,665	(641,115)		369,677	635,199	59,674	1,064,550
Contributed Illateriats and services Other support	68,100	21.394	5,000	94,494		(39.520)	500,224 43.974	- 6.000	5.000	800,224 54.974
Total support	18,055,272	739,523	64,674	18,859,469	(641,115)	(39,520)	11,390,011	724,129	64,674	18,178,834
REVENUE:										
Sales	570,009	- 00	1	£16,00à	8	÷ (600,973			600,973
Investment means Admissions and partitue	9CC,241	89,890	• •	264,282 877 763	• 1•		BLT CC3	89,890		282,452
Memberships and subscriptions	312,923			312,923			312,923			312.923
Special events	12,566			12,566		•	12,566	(11)		12,566
Program services income	518,971	ł	•	518,971	÷	i i	518,971			518,971
Total revenue	2,383,745	89,896	8	2,473,641	÷	¢	2,383,745	968'68		2,473,641
Net assets released from restrictions	785,938	(785,938)					785,938	(785,938)		
Total support and revenue	21,224,955	43,481	64,674	21,333,110	(641,115)	(39,520)	20,559,714	28,087	64,674	20,652,475
EXPENSES:										
Program expenses.										
Site operations, educational and interpretive programs State archives and library	101 747 1			10,251,782			1 747 103	• •	. .	1 747 103
Historic preservation office	1,609,583	ì		1,609,583		÷	1,609,583	•	с ж	1,609,583
Capital projects	1,849,045	ä	3	1,849,045	3	3	1,849,045		3 1	1,849,045
Ohio Bicentennial Commission	372,273	ĸ	i	372,273	·	ŝ	372,223	r	ĸ	372,223
Support services: Management and general	7.84 CER C		ł	7 847 467			734 CAR C			7 847 467
Business ventures	318,604	i		318,604		•	318,604		e a	318,604
Early retirement incentive program	94,476	,		94,476	9	,	94,476	,		94,476
Fundraising	392,552	ï		392.552	•		392.552	5	•	392.552
Total expenses	19,472,835	e.	ŧ.	19,472,835	•	Ĩ	19,472,835	,	P.	19,472,835
Changes in net assets before changes related to collection iterus not capitalized and change in net unrealized gains and losses on investment	1,752,120	43,481	64,674	1,860,275	(641,115)	(39,520)	1,086,879	28,087	64,674	1,179,640
Collection items purchased but not capitalized Net realized and unrealized wints (Jasses)	(127,06) 040 FF?			(127,05)			(127,0E) 040 FF3	4 Q	àr th	(127,05) 040 FF2
Channed in and accute hading that for	DEV PSC C	43.401	10717	NO2 C2L C	(641.115)	1003.002	1 500 100	100 BC	473.63	1 601 050
Climites an lice assets before mainters		104'64	10,10		(011,1140)		941'697'1	100'07	1 (D*HO	100't
Transfer of fund restrictions Transfers to Ohio Historical Society Foundation Transfers to Ohio Historical Society	9,415 (24,126) (641,115)	(120,000) (15,394)	110,585	(39,520) (641,115)	(025,96)		9,415 -	(120,000)	110,585 - -	3 6 3
Change in net assets	1,598,613	(616,19)	175,259	1,681,959	(680,635)	(680,635)	1,598,613	(516,19)	175,259	1,681,959
NET ASSETS, beginning of year	4,818,797	3,347,936	3,193,568	11,360,301	ř	ĸ	4,818,797	3,347,936	3,193,568	10£,03£,11
NET ASSETS, end of year	S 6,417,410 S	S 3,256,023 S		3,368,827 S 13,042,260	S (680,635) S	(680,635) S (680,635)	S 6,417,410 S	S 3,256,023 S	1.1	3,368,827 \$ 13,042,260
						100				

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

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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 Babbett

CLERK OF THE BUREAU

CERTIFIED FEBRUARY 8, 2007

> 88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506 Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490 www.auditor.state.oh.us