WEXNER CENTER FOR THE ARTS

FINANCIAL REPORT

For The Years Ended June 30, 2008 and 2007

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Mary Taylor, CPA
Auditor of State

Wexner Center for the Arts
2040 Blankenship Hall
901 Woody Hayes Drive
Columbus, Ohio 43210-4016

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 2, 2009

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Wexner Center for the Arts

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PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Wexner Center for the Arts
The Ohio State University

We have audited the accompanying statements of net assets of the Wexner Center for the Arts, which is a part of The Ohio State University, as of June 30, 2008 and 2007, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of Wexner Center for the Arts's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in Note 1, the financial statements of Wexner Center for the Arts are intended to present the financial position and results of operations of only that portion of the financial reporting entity of The Ohio State University that is attributable to the transactions of Wexner Center for the Arts.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wexner Center for the Arts as of June 30, 2008 and 2007, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2008, on our consideration of the Wexner Center for the Arts'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.

The Management's Discussion and Analysis presented on pages 2 through 7 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Parms & Company, LLC

December 19, 2008

Wexner Center for the Arts
Management's Discussion and Analysis
Fiscal Years Ending June 30, 2008 and June 30, 2007

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of the Wexner Center for the Arts for the years ended June 30, 2008 and 2007. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About the Wexner Center

The Wexner Center for the Arts (WCA), which opened in November 1989, is a multi-disciplinary arts center located on the Columbus campus of The Ohio State University. Conceived as a research laboratory for all the contemporary arts, it has emphasized commissions for new work and artist residencies since its inception. Its multidisciplinary programs encompass performing arts, exhibitions, and media arts (film/video) and have focused on cutting-edge culture from around the globe. The WCA building is named in honor of Harry L. Wexner, the father of Leslie H. Wexner, chairman and founder of Limited Brands and a major donor to the center.

The WCA receives significant financial support from the Wexner Center Foundation. The Foundation is a private, nonprofit partner of The Ohio State University Board of Trustees established for the overall purpose of advancing the interests of the WCA. Its primary role is to provide trustee guidance to the center and sustained support for WCA programming.

About the Financial Statements

The WCA presents its financial reports in a "business type activity" format, in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. In addition to this MD&A section, the financial report includes a Statement of Net Assets, a Statement of Revenues, Expenses and Other Changes in Net Assets, a Statement of Cash Flows and Notes to the Financial Statements.

Financial Highlights

The WCA's financial position was relatively stable in Fiscal Year 2008. Restricted-nonexpendable net assets related to endowment funds decreased $487,303, to $3,879,629, due to the long-term investment pool taking a downturn because of market conditions. Expendable net assets, which include unrestricted and restricted-expendable net assets, increased $260,755, to $1,753,112. This is the collective result of a decrease in restricted-expendable net assets of $167,867 to off-set programming costs and an increase in unrestricted net assets of $428,622.

Gift revenues totaled $4,098,516 and $4,252,176 for fiscal years 2008 and 2007, respectively. These gift figures include $2,692,280 and $2,599,599, respectively, in direct support from the Wexner Center Foundation.

The following sections provide additional details on the WCA's 2008 and 2007 financial results and a look ahead at significant economic conditions that are expected to affect the Center in the future.

Statements of Net Assets

	2008	2007
Cash and cash equivalents	$ 710,532	$ 727,756
Accounts receivable	103,130	137,307
Contributions receivable	1,007,972	1,001,708
Inventories and prepaid expenses	474,339	225,426
Total current assets	2,295,973	2,092,197
Endowments in OSU long-term investment pool	3,879,627	4,366,932
Property, plant & equipment, net	45,228,589	46,880,168
Total non-current assets	49,108,216	51,247,100
TOTAL ASSETS	$ 51,404,189	$ 53,339,297
LIABILITIES AND NET ASSETS		
Accounts payable	$ 205,783	$ 289,153
Accrued salary and wages	17,348	13,892
Deposits and deferred revenues	10,464	22,137
Accrued vacation and sick leave - current	24,950	20,504
Total current liabilities	258,545	345,686
Accrued vacation and sick leave - long term	284,316	254,154
TOTAL LIABILITIES	$ 542,861	$ 599,840
Invested in capital assets	$ 45,228,589	$ 46,880,168
Restricted - nonexpendable	3,879,627	4,366,932
Restricted - expendable	1,569,456	1,737,323
Unrestricted	183,656	(244,966)
TOTAL NET ASSETS	$ 50,861,328	$ 52,739,457

Total **current assets** increased $203,776, to $2,295,973 at June 30, 2008, primarily due to an increase in inventory and prepaid expense balances. The Statement of Cash Flows, which is discussed in more detail below, provides additional details on sources and uses of WCA cash.

Endowment investments in the University's long-term investment pool decreased $487,303, to $3,879,630 at June 30, 2008, primarily due to depreciation in the market value of investments. The long-term investment pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the University's mission.

The WCA's **property, plant and equipment**, net of accumulated depreciation, decreased $1,651,579, to $45,228,589, primarily due to building depreciation. University facilities assigned to the WCA include the WCA building and the adjacent Mershon Auditorium. In October 2005, the WCA galleries reopened after an extensive renovation.

Current liabilities of the WCA decreased $87,141, to $258,545 at June 30, 2008. Decreases in account payable and deferred revenues were partially offset by increases in accrued salary and wages and vacation and sick leave benefits.

Statement of Revenues, Expenses and Changes in Net Assets

	2008	2007
OPERATING REVENUES:		
Sales and services	$ 1,560,182	$ 975,180
Grants and contracts	90,595	183,417
Total operating revenues	1,650,777	1,158,597
OPERATING EXPENSES:		
Salaries	4,000,889	3,940,228
Employee Benefits	1,429,845	1,383,890
Fees paid to performers and artists	470,538	426,960
Supplies and services	3,757,811	3,523,570
University overhead charges	31,737	27,795
Depreciation	2,248,547	2,212,612
Total operating expenses	11,939,367	11,515,054
OPERATING LOSS	(10,288,590)	(10,356,457)
NON-OPERATING REVENUES AND EXPENSES:		
University appropriations	4,089,853	3,981,939
Gifts	4,098,516	4,252,176
Endowment income distributions	176,999	177,256
Investment income	(556,378)	526,528
Transfers from University for capital projects	601,471	140,403
INCREASE (DECREASE) IN NET ASSETS	(1,878,129)	(1,278,156)
NET ASSETS -- Beginning of Year	52,739,457	54,017,613
NET ASSETS -- End of Year	$ 50,861,328	$ 52,739,457

Total **sales and services** increased $585,202, to $1,560,182 at June 30, 2008 primarily due to the WCA Bookstore entering into an agreement with Apple Computer, Inc. in the Fall 2007 which generated substantial revenues by the sale of Apple products (hardware, software and peripherals) with items totaling $419,988.

Investment income experienced a decrease of $1,082,906, to a negative $556,378 at June 30, 2008, as compared to $526,528 at June 30, 2007. This is due to the downturn in market conditions.

Net transfers increased $461,068, to $601,471 at June 30, 2008 as a result of the university's investing $623,003 for improvements in property and plant.

Total net assets (equity) of the WCA decreased $1,878,129, to $50,861,328 at June 30, 2008. It should be noted that the required subtotal for net operating income or loss will generally reflect a "loss", primarily due to the way operating and non-operating items are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.* Operating expenses include virtually all WCA expenses. Operating revenues, however, *exclude* certain significant revenue streams that the Center relies upon to fund current operations, including direct support from the University, current-use gifts and investment income.

Statement of Cash Flows

	2008	2007
Cash Provided by (Used in):		
Operating activities	$ (8,311,758)	$ (7,980,945)
Noncapital financing activities	8,182,106	7,717,314
Capital and related financing activities	4,503	(9,083)
Investing activities	107,925	198,980
Net Increase (Decrease) in Cash	(17,224)	(73,734)
Cash and Cash Equivalents - Beginning of Year	727,756	801,490
Cash and Cash Equivalents - End of Year	$ 710,532	$ 727,756

Total WCA **cash and cash equivalents** decreased $17,224, to $710,532 at June 30, 2008. Operating activities include cash flows associated with sales and services, grants and contracts, and operating expenses. Non-capital financing activities include direct operating support from the University and gifts. Capital and related financing activities include payments for purchase or construction of capital assets and transfers for capital projects from the University. Net cash provided by investing activities consists primarily of endowment income distributions.

Economic Factors That Will Affect the Future

Each year, the Wexner Center works diligently to secure private contributions from local and national corporations and foundations, and individuals residing in central Ohio and well beyond. These private funds are augmented by generous public support from The Ohio State University and other public agencies to sustain the Wexner Center and its wide range of programs. The center is very fortunate to have diverse income streams that combine to create a healthy financial base.

In past years, the Wexner Center has been successful in reaching many of its development goals. A strong programming mix in FY08 and FY09, accompanied by savvy marketing campaigns, has helped significantly to expand public awareness of the center, as well as its community profile. The Wexner Center has been able to capitalize on this momentum by growing its membership ranks and visitation rates to their highest levels ever. The development and execution of new strategies that help to increase the earned income portion of the center's budget began to show progress last fiscal year and are on target to reach the ambitious goals set for the current year.

Current FY09 fundraising efforts are in line with past fiscal years. Wexner Center leaders are keenly aware of the current local, state, and national economic climates and their potential impact of decreased public and/or private funding. While many factors remain outside of the center's control, regular budget review meetings at both the board and staff levels will continue throughout the year, providing a system of safeguards and regular assessments of the center's fiscal position. Even so, based on what is now known about FY09, management is confident that the Wexner Center will maintain its stable financial position in the year ahead.

The Ohio State University
Wexner Center for the Arts
Statements of Net Assets
As of June 30, 2008

	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 710,532	$ 727,756
Accounts receivable	103,130	137,307
Contributions receivable	1,007,972	1,001,708
Inventories and prepaid expenses	474,339	225,426
Total current assets	2,295,973	2,092,197
NON-CURRENT ASSETS:		
Endowments in OSU long-term investment pool	3,879,627	4,366,932
Property, plant & equipment, net	45,228,589	46,880,168
Total non-current assets	49,108,216	51,247,100
TOTAL ASSETS	**$ 51,404,189**	**$ 53,339,297**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 205,783	$ 289,153
Accrued salary and wages	17,348	13,892
Deposits and deferred revenues	10,464	22,137
Accrued vacation and sick leave - current	24,950	20,504
Total current liabilities	258,545	345,686
Accrued vacation and sick leave - long term	284,316	254,154
TOTAL LIABILITIES	**542,861**	**599,840**
NET ASSETS:		
Invested in capital assets	45,228,589	46,880,168
Restricted - nonexpendable	3,879,627	4,366,932
Restricted - expendable	1,569,456	1,737,323
Unrestricted	183,656	(244,966)
TOTAL NET ASSETS	**50,861,328**	**52,739,457**
TOTAL LIABILITIES AND NET ASSETS	**$ 51,404,189**	**$ 53,339,297**

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

The Ohio State University
Wexner Center for the Arts
Statements of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2008

	2008	2007
OPERATING REVENUES:		
Sales and services	$ 1,560,182	$ 975,180
Grants and contracts	90,595	183,417
Total operating revenues	1,650,777	1,158,597
OPERATING EXPENSES:		
Salaries	4,000,889	3,940,228
Employee Benefits	1,429,845	1,383,890
Fees paid to performers and artists	470,538	426,960
Supplies and services	3,757,811	3,523,570
University overhead charges	31,737	27,795
Depreciation	2,248,547	2,212,612
Total operating expenses	11,939,367	11,515,054
OPERATING LOSS	(10,288,590)	(10,356,457)
NON-OPERATING REVENUES AND EXPENSES:		
University appropriations	4,089,853	3,981,939
Gifts	4,098,516	4,252,176
Endowment income distributions	176,999	177,256
Investment income	(556,378)	526,528
Transfers from University for capital projects	601,471	140,403
INCREASE (DECREASE) IN NET ASSETS	**(1,878,130)**	**(1,278,156)**
NET ASSETS -- Beginning of Year - Restated for 2007	**52,739,457**	**54,017,613**
NET ASSETS -- End of Year	**$ 50,861,328**	**$ 52,739,457**

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

The Ohio State University
Wexner Center for the Arts
Statements of Cash Flows
For the Year Ended June 30, 2008

	2008	2007
Cash Flows from Operating Activities:		
Grant and contract receipts	$ 90,595	$ 183,417
Receipts for sales and services	1,582,685	892,060
Payments to or on behalf of employees	(3,997,432)	(3,943,227)
University employee benefit payments	(1,395,236)	(1,365,212)
Payments to artists and performers	(470,538)	(426,960)
Payments to vendors for supplies and services	(4,121,831)	(3,321,023)
Net cash provided (used) by operating activities	(8,311,757)	(7,980,945)
Cash Flows from Noncapital Financing Activities:		
University appropriations	4,089,853	3,981,939
Gifts	4,092,252	3,735,375
Net cash provided (used) by noncapital financing activities	8,182,105	7,717,314
Cash Flows from Capital Financing Activities:		
Payments for purchase or construction of capital assets	(596,968)	(149,486)
Transfers from University for capital projects	601,471	140,403
Net cash provided (used) by capital financing activities	4,503	(9,083)
Cash Flows from Investing Activities:		
Income and dividends received	107,925	198,980
Net cash provided (used) by investing activities	107,925	198,980
Net Increase (Decrease) in Cash	(17,224)	(73,734)
Cash and Cash Equivalents - Beginning of Year	727,756	801,490
Cash and Cash Equivalents - End of Year	$ 710,532	$ 727,756
Reconciliation of Net Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Operating loss	$ (10,288,590)	$ (10,356,457)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities:		
Depreciation expense	2,248,547	2,212,612
Changes in assets and liabilities:		
Accounts receivable, net	34,176	49,999
Inventories and prepaid expenses	(248,912)	(23,007)
Accounts payable	(83,370)	253,348
Accrued salary and wages	3,457	(2,999)
Deposits and deferred credits	(11,673)	(133,119)
Compensated absences	34,608	18,678
Net cash provided (used) by operating activities	$ (8,311,757)	$ (7,980,945)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Entity

Wexner Center for the Arts (WCA) is a part of The Ohio State University (the University) financial reporting entity. The financial statements of the University contain more extensive disclosure of the significant accounting policies of the University as a whole.

Basis of Presentation

WCA complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. WCA reports as a special purpose government engaged solely in "business type activities" under GASB Statement No. 34. GASB Statement Nos. 20 and 34 provide WCA the option of electing to apply FASB pronouncements issued after November 30, 1989. WCA has elected not to apply those pronouncements

Basis of Accounting

The financial statements of WCA have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they are considered to be a legal or contractual obligation to pay.

Cash

Cash of WCA is maintained by the University which commingles the funds with other University-related organizations.

Endowment Investments

Endowment funds are handled by the Treasurer of the University who commingles the funds with other University-related organizations. Earned investment income is allocated to each organization based on its share of the total funds invested at the beginning of each year. Additions to endowment investments are recorded as non-operating revenues in the statement of revenues, expenses and changes in net assets. Investments are recorded at their fair value. Investment income from endowment investments is unrestricted by the donors, and as such becomes a part of unrestricted net assets.

Contributions Receivable

At June 30, 2008 and 2007, accounts receivable of $1,007,972 and $1,001,708, respectively, consisted of contributions received by The Ohio State University Development Office which had not been transferred to the operating accounts of the Wexner Center for the Arts. Amounts are deemed fully collectible.

Capital Assets

Capital assets with a unit cost of over $3,000 are recorded at cost at date of acquisition, or, if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expenditure categories. Expenditures for construction in progress are capitalized as incurred. Routine maintenance and repairs are charged to expenses as incurred.

Revenue Recognition

All revenues from programmatic sources are considered to be operating revenues. Included in non-operating revenues are University support, investment income, and gifts. Gift revenues are recorded upon receipt from donors. Grant funds are recorded as revenues when the grant's contractual requirements have been met. The principal expendable restricted resources of the WCA are current-use gifts and endowment income distributions.

Donated Facilities and Administrative Support from The Ohio State University

The University charges the WCA for allocated overhead costs associated with sales of goods and services. In addition, the University provides certain donated facilities and administrative services, which are not reflected in the WCA's revenues and expenses.

Support from the Wexner Center Foundation

The Wexner Center Foundation is a private, nonprofit partner of The Ohio State University Board of Trustees established for the overall purpose of advancing the interests of the WCA. Its primary role is to provide trustee guidance and sustained support for WCA programming. The Foundation provided $2,692,280 and $2,599,599 of direct support to the WCA for the years ended June 30, 2008 and 2007, respectively. This support is included in gift revenues on the Statement of Revenues, Expenses and Changes in Net Assets.

Management Estimates

The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires the use of management estimates, primarily related to compensated absences and the collectibility of receivables. Actual results could differ from those estimates.

Net Assets

GASB Statement No. 34 reports equity as "net assets" rather than "fund balance." Net assets are classified according to external donor restrictions or availability of assets for satisfaction of WCA's obligations. Nonexpendable restricted net assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes.

NOTE 2: CASH AND INVESTMENTS

The cash balance as of June 30, 2008 consists of pooled funds which are held and managed by the Treasurer's Office of the University. Endowment investments represent WCA's share of pooled investment funds.

The following summarizes pooled shares and related values as of June 30, 2008:

Name of Fund	Number of Shares	Cost	Market Value
Haas, Carl Fund	34.49	$ 155,130	$ 227,623
Long, Ethel Manley	9.67	35,000	63,793
Tappen Endowed Fund	2.62	15,000	17,298
Wexner Center Programs	5.33	24,999	35,208
Arnold SA Maint WCA	4.30	29,500	28,351
Fnd-Duke Performing Arts	384.97	2,539,431	2,540,644
Glimcher D&H Program Fd	17.64	100,000	116,438
Lambert Family Lecture	64.45	439,985	425,320
Director's Dialogue	7.11	50,000	48,262
Fung Family Wexner Ctr	43.91	250,000	289,819
Fnd-Tuckerman Child	2.73	25,000	18,029
Wexner Ctr Education End	10.43	62,675	68,842
Total		$ 3,726,720	$ 3,879,627

The following summarizes pooled shares and related values as of June 30, 2007:

Name of Fund	Number of Shares	Cost	Market Value
Haas, Carl Fund	34.49	$ 155,130	$ 260,176
Long, Ethel Manley	9.67	35,000	72,916
Tappen Endowed Fund	2.62	15,000	19,771
Wexner Center Programs	5.33	25,000	40,244
Arnold SA Maint WCA	4.09	28,000	30,868
Fnd-Duke Performing Arts	384.97	2,539,431	2,903,977
Glimcher D&H Program Fd	17.64	100,000	133,089
Lambert Family Lecture	56.38	382,112	425,336
Director's Dialogue	7.11	50,000	54,882
Fung Family Wexner Ctr	43.91	250,000	331,265
Fnd-Tuckerman Child	2.73	25,000	20,607
Wexner Ctr Education End Fd	9.78	57,675	73,801
Total		$ 3,662,347	$ 4,366,932

Total endowment investments by investment type at June 30, 2008 and 2007 are as follows:

	2008	2007
Common stock	$ 674,711	$ 1,435,287
Equity mutual funds	1,435,234	1,309,296
U. S. government obligations	40,760	76,235
U. S. government agency obligations	70,123	108,085
Corporate bonds and notes	47,838	163,355
Bond mutual funds	206,259	181,944
International bonds	-	32,291
Real estate	183,987	277,871
Partnerships and hedge funds	1,128,352	666,392
Cash in trust	92,363	116,176
Total	$ 3,879,627	$ 4,366,932

Statement No. 3 as amended by Statement No. 40 of the Government Accounting Standards Board requires the disclosure of essential risk information about deposits and investments. The disclosure requirements cover four main areas: credit risk, interest rate and investment maturity, interest rate sensitivity and foreign exchange exposure.

Interest-rate risk – Interest-rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

The maturities of the WCA's interest-bearing investments at June 30, 2008 are as follows:

	Investment Maturities (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U. S. government obligations	$ 40,760	-	$ 11,832	$ 23,422	$ 5,506
U. S. agency obligations	70,123	$ 1,341	4,624	15,211	48,947
Corporate bonds	47,838	2,126	15,306	17,940	12,466
Bond mutual funds	206,259	765	86,347	88,343	30,804
International bonds	-	-	-	-	-
Total	$ 364,980	$ 4,232	$ 118,109	$ 144,916	$ 97,723

The maturities of the WCA's interest-bearing investments at June 30, 2007 are as follows:

	Investment Maturities (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U. S. government obligations	$ 76,235	$ 3,791	$ 9,077	$ 52,055	$ 11,312
U. S. agency obligations	108,085	4,281	23,420	17,734	62,650
Corporate bonds	163,355	6,427	43,592	67,978	45,358
Bond mutual funds	181,944	14,625	64,089	77,803	25,427
International bonds	32,291	-	5,515	5,856	20,920
Total	$ 561,910	$ 29,124	$ 145,693	$ 221,426	$ 165,667

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information – as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

The credit ratings of the WCA's interest-bearing investments at June 30, 2008 are as follows:

Credit Rating (S&P)	Total	U. S. Government and Agency Obligations	Corporate Bonds	Bond Mutual Funds	International Bonds
AAA	$ 262,025	$ 110,111	$ 5,811	$ 146,103	-
AA	38,409	-	8,161	30,248	
A	36,886	-	17,035	19,851	
BBB	17,528	-	7,515	10,013	
BB	1,352	-	1,307	45	
B	4,543	-	4,543	-	
CCC	1,063	-	1,063	-	
CC	151	-	151	-	
C	-	-	-	-	
Not Rated	3,023	772	2,251	-	
Total	$ 364,980	$ 110,883	$ 47,837	$ 206,260	$ -

The credit ratings of the WCA's interest-bearing investments at June 30, 2007 are as follows:

Credit Rating (S&P)	Total	U. S. Government and Agency Obligations	Corporate Bonds	Bond Mutual Funds	International Bonds
AAA	$ 265,487	$ 182,287	$ 17,478	$ 65,722	-
AA	24,107	1,340	13,180	9,173	$ 414
A	58,379	-	31,177	27,202	-
BBB	36,430	-	28,035	6,334	2,061
BB	49,713	-	8,996	26,679	14,038
B	73,559	-	36,973	34,765	1,821
CCC	24,107	-	13,598	10,509	-
CC	-	-	-	-	-
C	-	-	-	-	-
Not Rated	30,128	693	13,918	1,558	13,957
Total	$ 561,910	$ 184,320	$ 163,355	$ 181,944	$ 32,291

Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

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At June 30, 2008, the WCA's exposure to foreign currency risk is as follows:

Currency	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds	International Bonds
Argentine peso	-	$ 774	-	-	-
Australian dollar	$ 8,121	35,932	$ 248	-	-
Brazilian real	12,354	19,012	-	-	-
Canadian dollar	16,930	54,109	1,252	-	-
Chilean peso	-	1,382	-	-	-
Chinese yuan	-	15,254	-	-	-
Danish krone	2,972	5,755	881	-	-
Egyptian pound	-	940	-	-	-
Euro	117,321	274,071	28,959	-	-
Hong Kong dollar	19,045	11,814	-	-	-
Hungarian forint	862	940	-	-	-
Indian rupee	-	6,190	-	-	-
Indonesian rupiah	1,831	1,769	-	-	-
Israeli shekel	335	2,763	-	-	-
Japanese yen	72,304	113,784	20,074	-	-
Jordanian dinar	-	111	-	-	-
Malaysian ringgit	2,240	2,487	-	-	-
Mexican peso	5,417	5,416	-	-	-
Moroccan dirham	-	387	-	-	-
New Taiwan dollar	9,962	11,717	-	-	-
New Zealand dollar	544	819	-	-	-
Norwegian kroner	12,473	6,091	140	-	-
Peruvian nuevo sol	-	829	-	-	-
Phillippine peso	-	332	-	-	-
Polish zloty	704	1,769	-	-	-
Pound sterling	49,270	27,894	4,069	-	-
Russian ruble	-	12,325	-	-	-
Singapore dollar	3,210	6,173	-	-	-
South African rand	13,139	7,130	-	-	-
South Korean won	21,043	13,707	-	-	-
Swedish krona	7,180	11,444	351	-	-
Swiss franc	10,164	37,388	335	-	-
Thailand bhat	4,382	1,492	-	-	-
Turkish lira	741	1,382	-	-	-
Other currencies	-	1,161	-	-	-
Total	$ 392,544	$ 694,543	$ 56,309	$ -	$ -

At June 30, 2007, the WCA's exposure to foreign currency risk is as follows:

Currency	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds	International Bonds
Argentine peso	-	$ 35,833	-	-	$ 3,609
Australian dollar	$ 8,178	7,978	$ 4,984	-	-
Brazilian real	8,852	16,854	1,871	-	-
Canadian dollar	14,867	53,796	3,148	-	-
Chinese yuan	-	14,920	-	-	-
Colombian peso	-	-	-	-	372
Danish krone	882	1,622	554	-	-
Egyptian pound	615	1,439	-	-	-
Euro	107,996	247,263	25,735	-	-
Hong Kong dollar	15,163	10,407	-	-	-
Hungarian forint	-	2,395	-	-	-
Indian rupee	-	3,384	1,229	-	-
Indonesian rupiah	1,873	2,687	-	-	-
Israeli shekel	1,023	911	-	-	-
Japanese yen	67,914	144,188	23,958	-	-
Malaysian ringgit	8,501	1,743	1,879	-	-
Mexican peso	2,053	8,871	1,777	$ 739	922
New Taiwan dollar	6,728	10,412	-	-	-
New Zealand dollar	287	1,574	1,603	-	-
Norwegian kroner	14,325	10,544	-	-	-
Pakistan rupee	-	1,529	-	-	-
Peruvian nuevo sol	-	1,979	-	-	-
Phillippine peso	1,126	1,900	-	-	-
Polish zloty	831	2,136	2,974	-	-
Pound sterling	48,379	150,483	3,688	-	-
Russian ruble	-	10,412	-	-	-
Singapore dollar	4,286	5,392	2,758	-	-
South African rand	15,760	9,040	1,930	-	-
South Korean won	17,259	15,021	-	-	-
Sri Lanka ruppee	-	360	-	-	-
Swedish krona	7,733	21,121	1,150	-	-
Swiss franc	7,755	43,075	382	-	-
Thailand bhat	2,461	2,080	-	-	-
Turkish lira	-	3,407	-	-	1,830
US dollar	55,348	130,446	8,242	8,674	25,558
Total	$ 420,164	$ 975,202	$ 87,863	$ 9,414	$ 32,291

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NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Non-depreciable assets:				
Construction in progress	$ 1,010,155	554,736	(1,006,891)	$ 558,000
Depreciable assets:				
Buildings	71,597,195	980,856	-	72,578,051
Furniture and Equipment	1,992,725	68,267	(4,300)	2,056,692
Total cost of depreciable assets	73,589,920	1,049,123	(4,300)	74,634,743
Total cost of capital assets	74,600,075	1,603,859	(1,011,191)	75,192,743
Less accumulated depreciation	27,719,907	2,248,547	(4,300)	29,964,154
Net capital assets	$ 46,880,168	(644,688)	(1,006,891)	$ 45,228,589

Capital assets activity for the year ended June 30, 2007 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Non-depreciable assets:				
Construction in progress	$ 1,865,604	115,555	(971,004)	$ 1,010,155
Depreciable assets:				
Buildings	70,608,131	989,064	-	71,597,195
Furniture and Equipment	2,280,763	15,871	(303,909)	1,992,725
Total cost of depreciable assets	72,888,894	1,004,935	(303,909)	73,589,920
Total cost of capital assets	74,754,498	1,120,490	(1,274,913)	74,600,075
Less accumulated depreciation	25,811,204	2,212,612	(303,909)	27,719,907
Net capital assets	$ 48,943,294	(1,092,122)	(971,004)	$ 46,880,168

The following estimated useful lives are used to compute depreciation:

Type of Asset	Estimated Useful Life
Buildings	20 to 40 years
Equipment and furniture	5 to 15 years

NOTE 4: RETIREMENT PLAN

All WCA employees are employees of The University and are covered by either the Ohio Public Employees Retirement System (OPERS) or the Alternative Retirement Plan (ARP). Employees may opt out of OPERS and participate in the ARP if they meet certain eligibility requirements.

OPERS is a cost sharing, multiple employer defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, health care benefits, and death benefits to Plan members and beneficiaries. Chapter 145 of the Ohio Revised Code assigns the authority to establish and amend benefit provisions. OPERS issues a publicly available comprehensive annual financial report which includes financial statements and required supplementary information for OPERS. That report may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio, 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.

2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

3. The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. The Ohio Revised Code provides statutory authority for member and employer contributions.

ARP is a defined contribution pension plan. Full-time administrative and professional staff may choose enrollment in ARP in lieu of OPERS. Classified civil service employees hired on or after August 1, 2005 are also eligible to participate in ARP. As with the OPERS Member-Directed Plan, ARP does not provide any ancillary benefits. Retirement benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

ORC provides OPERS statutory authority to set employee and employer contributions. Contributions equal to those required by OPERS are required for ARP. For employees enrolling in ARP, ORC requires a portion (which may be revised pursuant to periodic actuarial studies) of the employer contribution be contributed to OPERS to enhance the stability of these plans. The required contribution rates (as a percentage of covered payroll) for plan members and the WCA are as follows:

	OPERS	ARP
Staff:		
Plan member (7/07 – 12/07)	9.50%	9.50%
Plan member (1/08 – 6/08)	10.00%	10.00%
WCA (7/07 – 12/07)	13.77%	13.77%*
WCA (1/08 – 6/08)	14.00%	14.00%**

* Employer contributions include .54% paid to OPERS (8/07 – 12/07).
** Employer contributions include .77% paid to OPERS (1/08 – 6/08).
The remaining amount is credited to employee's ARP account.

WCA's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2008 and for each of the two preceding years are as follows:

Year Ended June 30,	OPERS Annual Required Contribution	ARP Annual Required Contribution
2006	$ 347,787	$ 142,054
2007	$ 356,277	$ 145,521
2008	$ 381,403	$ 154,324

NOTE 5: OTHER POSTEMPLOYMENT BENEFITS

OPERS also provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, *Disclosure of Information of Postemployment Benefits other than Pension Benefits by State and Local Government Employers*. A portion of each contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions to OPERS. For OPERS' fiscal year ended December 31, 2007, OPERS allocated 5.0% (January through June) and 6.0% (July through December) of the employer contribution rate to fund the health care program for retirees. These rates are the actuarially determined contribution requirement for OPERS. Postemployment health care benefits are not guaranteed by ORC to be covered under OPERS.

The assumptions and calculations used in determining employer rates and allocations to cover health care costs are based on OPERS' latest actuarial review performed as of December 31, 2006. Key assumptions are as follows:

- The individual entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

- All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

- The investment assumption rate for 2006 was 6.50%.

- An annual increase of 4.00% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

- Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 5% for the next

8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

OPEB are advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 374,979 active contributing participants as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. The amount of employer contributions used to fund post-employment benefits is estimated to be $233,417 (based on multiplying actual contributions by .4357). As of December 31, 2006, the actuarial value of the Retirement System's net assets available for OPEB was $12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $30.7 billion and $18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. In 2005, OPERS created a separate investment pool for health care assets. In addition, member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

OPEB are not available to retirees enrolled in the OPERS member-directed plan or the ARP.

NOTE 6: ACCRUED COMPENSATION AND COMPENSATED ABSENCES

The WCA employees earn vacation and sick leave on a monthly basis. Classified civil service employees may accrue vacation benefits up to a maximum of three years credit. Administrative and professional staff and faculty may accrue vacation benefits up to a maximum of 240 hours. For all classes of employees, any earned but unused vacation benefit is payable upon termination. Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the University with ten or more years of state service. The amount of sick leave benefit payable at retirement is one fourth of the accrued but unused sick leave up to a maximum of 240 hours.

WCA follows the University's policy for accruing sick leave liability. WCA accrues a sick leave liability for those employees who are currently eligible to receive termination payments along with other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment method" which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*.

Under the termination method, WCA utilizes the University's calculated rate, Sick Leave Termination Cost Per Year Worked, that is based on the University's actual historical experience of sick leave payouts to terminated employees. This ratio is then applied by WCA to the total year-of-service for WCA current employees.

Accrued salaries were $17,348 and $13,892 as of June 30, 2008 and 2007, respectively. Accrued vacation and sick leave liabilities were $309,266 and $274,658 as of June 30, 2008 and 2007, respectively.

NOTE 7: UNIVERSITY SUPPORT

The operations of WCA are supported in part by the general revenues of the University. The University provides for the general operating costs of WCA operations. The University's direct support for appropriations and capital projects amounted to $4,691,324 and $4,122,342 for the years ended June 30, 2008 and 2007, respectively.

NOTE 8: OPERATING LEASES

WCA leases office space under an agreement with a 5 year occupancy term covering the period March 1, 2004 through February 28, 2009. Future minimum rental payments for this leases as of June 30, 2008 are as follows:

Year Ending June 30,	
2009	$ 82,264

Rental expense charged to operations was $107,190 and $104,790 for the years ended June 30, 2008 and 2007, respectively.

WCA leases apartment space for visiting artists under an agreement with a 2 year occupancy term covering the period November 1, 2006 through October 31, 2008. Future minimum rental payments for this lease as of June 30, 2008 are as follows:

Year Ending June 30,	
2009	$ 4,640
2010	1,560
Total minimum lease payments	$ 6,200

Rental expense charged to operations was $4,560 and $4,440 for the years ended June 30, 2008 and 2007, respectively.

WCA as a lessor, leases space used as a café to a tenant under a tentative agreement with a 5 year occupancy term covering the period September 25, 2006 through December 31, 2012. Future minimum rental payments for this lease as of June 30, 2008 are as follows:

Year Ending June 30,	
2009	$ 19,500
2010	19,500
2011	19,500
2012	19,500
Total minimum lease payments	$ 78,000

Rental income received to operations was $9,870 and $4,223 for the years ended June 30, 2008 and 2007, respectively.

NOTE 9: PRIOR PERIOD RESTATEMENT

A prior period restatement was made to correct for an error. The effect of the error correction increased both beginning net assets as of July 1, 2006, and contribution revenues for the year ended June 30, 2007. The restatement was to correct for an error in accounting for contributions receivable by the Wexner Center for the Arts. The Wexner Center for the Arts previously had not recognized as revenues funds received by and held for 180-day by the University's Development Office. The result of this correction affects the net assets and 2007 reported revenues as follows:

Net assets, July 1, 2006	$53,532,706
Contributions receivable, at July 1, 2006	484,907
Restated net assets, July 1, 2006	$54,017,613

Fiscal Year 2007 Gift Revenues, as reported	$ 3,735,275
Contribution receivable at June 30, 2007	1,001,708
Contributions receivable at June 30, 2006	(484,907)
Fiscal Year 2007 Gift Revenues, restated	$ 4,252,176

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of Wexner Center for the Arts, which is a part of The Ohio State University, as of and for the year ended June 30, 2008 and 2007, and have issued our report thereon dated December 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Wexner Center for the Arts' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wexner Center for the Arts' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wexner Center for the Arts' internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses under item 08-1 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wexner Center for the Arts' 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the use of the board of trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company, LLC

December 19, 2008

WEXNER CENTER FOR THE ARTS
SCHEDULE OF FINDINGS AND RESPONSES
AS REQUIRED UNDER *GOVERNMENT AUDITING STANDARDS*

For the Year Ended June 30, 2008

INTERNAL CONTROL FINDINGS

Finding Reference Number 08-1

Condition:

The Statements of Auditing Standards has determined that the identification by the auditor of a material misstatement in the financial statements for the period under audit that was not initially identified by the entity's internal control represents is at least a significant deficiency. This includes misstatements involving estimation and judgment for which the auditor identifies likely material adjustments and corrections of the recorded amounts. Accordingly, during the audit, we noted an adjustment to gift revenues that was required to correct the financial statements of the Wexner Center for the Arts.

Criteria:

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

Cause:

Historically, the Wexner Center for the Arts has received gifts and contributions from the Wexner Foundation, but these funds are transferred to the University's Development Office. In addition, these funds are put into a 180-day hold. As a consequence, there were some gift revenues received in one fiscal year that were not being recognized until they were transferred into the Wexner Center for Arts accounts during the following fiscal year. As a result, the Wexner Center for the Arts was not recognizing revenue in the appropriate accounting year in accordance with government accounting standards for voluntary nonexchange transactions in the year in which the gift was made by the donor.

Finding Reference Number 08-1 – (Continued)

Effect:

The effect of this deficiency is that the audit process disclosed the need for a prior period restatement and accrual of gift revenues made by donors in fiscal year 2008 but not transferred until after June 30, 2008. These adjustment were considered material to the financial

Corrective Action:

The Wexner Center for the Arts should adopt formal accounting procedures that will help identify contributions and gifts that should be captured in the correct accounting period. A contributions receivable account should be added to their general ledger in order to capture those gifts throughout the fiscal year.

Management's Response

The deficiency finding relates to a relatively narrow, technical accounting issue associated with our first-year efforts to report the Wexner Center (which is a University department) as a stand-alone entity. It is also in part the result of a university protocol that requires gifts to the Wexner Center to be held 180 days in the university investment portfolio before being released to the center. We agree with the audit finding as well as the conclusion that this is not a material weakness. The Wexner Center for the Arts and the university will incorporate gift accruals into the yearend reporting process for 6/30/09 and future years.

Mary Taylor, CPA
Auditor of State

THE OHIO STATE UNIVERSITY

WEXNER CENTER FOR THE ARTS

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 12, 2009

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