

Ohio Historical Society and Affiliate
dba Ohio History Connection
Audited Combined Financial Statements

As of and for the Years Ended
June 30, 2014 and 2013



Rea & associates

www.reacpa.com



Dave Yost • Auditor of State

Board of Trustees
Ohio Historical Society and Affiliate
d/b/a Ohio History Connection
800 E 17th Avenue
Columbus, OH 43211

We have reviewed the *Independent Auditor's Report* of the Ohio Historical Society and Affiliate, d/b/a Ohio History Connection, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2013 through June 30, 2014. 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 d/b/a Ohio History Connection is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

December 5, 2014

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November 13, 2014

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Ohio Historical Society and Affiliate (doing business as "Ohio History Connection" and collectively referred to as the "Organization") which comprise the combined statements of financial position as of June 30, 2014 and 2013, the related combined statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Historical Society and Affiliate as of June 30, 2014 and 2013, and the results of its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by the *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, the combining statements of financial position, statements of activities and changes in net assets are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2014, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2014 AND 2013

	June 30, 2014				June 30, 2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>ASSETS</u>								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 395,884	\$ 148,087	\$ 3,987	\$ 547,958	\$ 351,935	\$ 148,087	\$ -	\$ 500,022
Receivables:								
Grants	242,432	-	-	242,432	268,062	-	-	268,062
Contracts	752,028	-	-	752,028	666,487	-	-	666,487
Current portion of pledges, net	-	386,865	-	386,865	-	190,385	-	190,385
Other	250,428	-	-	250,428	178,135	-	-	178,135
Inventories, net	247,352	-	-	247,352	244,136	-	-	244,136
Prepaid expenses and other current assets	52,414	34,274	-	86,688	80,367	34,274	-	114,641
Total current assets	1,940,538	569,226	3,987	2,513,751	1,789,122	372,746	-	2,161,868
PROPERTY AND EQUIPMENT, net	752,825	-	-	752,825	905,621	-	-	905,621
PLEDGES RECEIVABLE, net of current portion	-	23,464	-	23,464	-	139,165	-	139,165
LONG-TERM INVESTMENTS	6,399,975	5,029,145	4,209,432	15,638,552	6,070,373	3,757,638	3,905,681	13,733,692
Total assets	<u>\$ 9,093,338</u>	<u>\$ 5,621,835</u>	<u>\$ 4,213,419</u>	<u>\$ 18,928,592</u>	<u>\$ 8,765,116</u>	<u>\$ 4,269,549</u>	<u>\$ 3,905,681</u>	<u>\$ 16,940,346</u>
<u>LIABILITIES AND NET ASSETS</u>								
CURRENT LIABILITIES:								
Accounts payable	\$ 1,112,068	\$ -	\$ -	\$ 1,112,068	\$ 692,182	\$ -	\$ -	\$ 692,182
Line of credit	150,000	-	-	150,000	-	-	-	-
Accrued salaries, wages and other liabilities	806,071	-	-	806,071	761,416	-	-	761,416
Accrued leave liability	610,330	-	-	610,330	570,994	-	-	570,994
Deferred subscription and other revenue	754,616	-	-	754,616	638,871	-	-	638,871
Total current liabilities	3,433,085	-	-	3,433,085	2,663,463	-	-	2,663,463
NET ASSETS:								
Operations	1,324,883	3,265,378	-	4,590,261	1,832,882	2,586,506	-	4,419,388
Board designated:								
Reserves	501,065	-	-	501,065	500,706	-	-	500,706
Specific programs and projects	1,423,990	-	-	1,423,990	1,386,279	-	-	1,386,279
Ohio Bicentennial Commission	-	148,087	-	148,087	-	148,087	-	148,087
Endowment fund balance	138,131	2,208,370	4,213,419	6,559,920	80,335	1,534,956	3,905,681	5,520,972
Quasi-Endowment	2,272,184	-	-	2,272,184	2,301,451	-	-	2,301,451
Total net assets	5,660,253	5,621,835	4,213,419	15,495,507	6,101,653	4,269,549	3,905,681	14,276,883
Total liabilities and net assets	<u>\$ 9,093,338</u>	<u>\$ 5,621,835</u>	<u>\$ 4,213,419</u>	<u>\$ 18,928,592</u>	<u>\$ 8,765,116</u>	<u>\$ 4,269,549</u>	<u>\$ 3,905,681</u>	<u>\$ 16,940,346</u>

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:				
State appropriations:				
Operating subsidies	\$ 9,355,935	\$ -	\$ -	\$ 9,355,935
Capital projects	2,946,447	-	-	2,946,447
Government contracts and grants	2,114,559	-	-	2,114,559
Private contracts and grants	122,312	-	-	122,312
Contributions	639,684	1,084,854	22,405	1,746,943
Contributed materials and services	780,624	-	-	780,624
Other support	-	2,000	-	2,000
Total support	15,959,561	1,086,854	22,405	17,068,820
REVENUE:				
Admissions and parking	288,038	-	-	288,038
Memberships and subscriptions	480,520	-	-	480,520
Investment income	188,923	122,535	-	311,458
Sales and facilities use	301,133	-	-	301,133
Special events	182,507	-	-	182,507
Program services income	458,482	-	-	458,482
Other revenue	770,443	-	-	770,443
Total revenue	2,670,046	122,535	-	2,792,581
Net assets released from restriction	533,515	(533,515)	-	-
Total support and revenue	19,163,122	675,874	22,405	19,861,401
EXPENSES:				
Program expenses:				
Site operations, educational and interpretive programs	11,024,569	-	-	11,024,569
Contributed materials and services	780,624	-	-	780,624
State archives and library	1,247,217	-	-	1,247,217
Historic preservation office	1,907,155	-	-	1,907,155
Capital projects	2,946,447	-	-	2,946,447
Support services:				
Management and general	2,024,015	-	-	2,024,015
Fundraising	680,979	-	-	680,979
Total expenses	20,611,006	-	-	20,611,006
Changes in net assets from operations	(1,447,884)	675,874	22,405	(749,605)
OTHER INCOME (EXPENSES):				
Collection items purchased but not capitalized	(23,690)	-	-	(23,690)
Net realized and unrealized gains (losses) on investments	1,315,507	676,412	-	1,991,919
Transfer of net asset restrictions	(285,333)	-	285,333	-
Total other income (expenses)	1,006,484	676,412	285,333	1,968,229
Changes in net assets	(441,400)	1,352,286	307,738	1,218,624
NET ASSETS, beginning of year	6,101,653	4,269,549	3,905,681	14,276,883
NET ASSETS, end of year	\$ 5,660,253	\$ 5,621,835	\$ 4,213,419	\$ 15,495,507

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:				
State appropriations:				
Operating subsidies	\$ 7,104,529	\$ -	\$ -	\$ 7,104,529
Capital projects	3,866,037	-	-	3,866,037
Government contracts and grants	2,853,878	-	-	2,853,878
Private contracts and grants	119,568	-	-	119,568
Contributions	448,801	843,563	18,550	1,310,914
Contributed materials and services	1,146,864	-	-	1,146,864
Other support	10,000	-	-	10,000
Total support	15,549,677	843,563	18,550	16,411,790
REVENUE:				
Admissions and parking	187,030	-	-	187,030
Memberships and subscriptions	419,637	-	-	419,637
Investment income	202,097	118,228	-	320,325
Sales and facilities use	289,355	-	-	289,355
Special events	189,160	-	-	189,160
Program services income	640,265	-	-	640,265
Other revenue	900,978	-	-	900,978
Total revenue	2,828,522	118,228	-	2,946,750
Net assets released from restriction	614,893	(614,893)	-	-
Total support and revenue	18,993,092	346,898	18,550	19,358,540
EXPENSES:				
Program expenses:				
Site operations, educational and interpretive programs	9,170,750	-	-	9,170,750
Contributed materials and services	1,146,864	-	-	1,146,864
State archives and library	1,042,958	-	-	1,042,958
Historic preservation office	1,873,222	-	-	1,873,222
Capital projects	3,866,037	-	-	3,866,037
Support services:				
Management and general	2,434,388	-	-	2,434,388
Fundraising	566,125	-	-	566,125
Total expenses	20,100,344	-	-	20,100,344
Changes in net assets from operations	(1,107,252)	346,898	18,550	(741,804)
OTHER INCOME (EXPENSES):				
Collection items purchased but not capitalized	(19,363)	-	-	(19,363)
Net realized and unrealized gains (losses) on investments	639,193	567,290	-	1,206,483
Transfers to outside organizations	-	(4,883)	-	(4,883)
Total other income (expenses)	619,830	562,407	-	1,182,237
Changes in net assets	(487,422)	909,305	18,550	440,433
NET ASSETS, beginning of year	6,589,075	3,360,244	3,887,131	13,836,450
NET ASSETS, end of year	\$ 6,101,653	\$ 4,269,549	\$ 3,905,681	\$ 14,276,883

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,218,624	\$ 440,433
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation expense	59,366	48,565
Loss on sale of property and equipment	575	-
Net realized and unrealized (gains) losses on investments	(1,991,919)	(1,206,483)
(Increase) decrease in operating assets:		
Receivables	(212,983)	(194,752)
Inventories	(3,216)	(12,273)
Prepaid expenses and other current assets	27,953	91,882
Increase (decrease) in operating liabilities:		
Accounts payable	419,886	224,516
Accrued salaries, wages and other liabilities	44,655	(289,462)
Accrued leave liability	39,336	(58,771)
Deferred subscription and other revenue	115,745	(263,348)
Total adjustments	(1,500,602)	(1,660,126)
Net cash used in operating activities	(281,978)	(1,219,693)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of long-term investments and reinvested interest and dividends	(359,341)	(309,703)
Proceeds from the sale of long-term investments	446,400	1,113,979
Payments for the purchase of property and equipment	(154,227)	(63,751)
Proceeds from the sale of property and equipment	247,082	-
Net cash provided by investing activities	179,914	740,525
CASH FLOWS FROM FINANCING ACTIVITIES:		
Line of credit, net	150,000	-
Net cash provided by financing activities	150,000	-
Net increase (decrease) in cash and cash equivalents	47,936	(479,168)
CASH AND CASH EQUIVALENTS, beginning of year	500,022	979,190
CASH AND CASH EQUIVALENTS, end of year	\$ 547,958	\$ 500,022

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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

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

Principles of Combination

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

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Accounting

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization's revenue recognition policies are as follows:

Grant Revenue

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

State Subsidies

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

Contributions

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

Contributed Facilities, Services, and Materials

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

Kind of Service	2014		2013	
	Hours Contributed	Estimated Value	Hours Contributed	Estimated Value
Interpretive services	48,775	\$ 557,501	57,001	\$ 651,516
Collection/curatorial services	7,059	114,842	10,975	178,563
Research	1,279	18,280	991	14,158
All other services	6,398	90,001	17,339	302,627
Total	63,511	\$ 780,624	86,306	\$ 1,146,864

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

Sales, Admissions, and Parking

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Memberships

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

Cash and Cash Equivalents

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

Receivables

Receivables primarily represent amounts due to the Organization under government grants, contracts, contributions, or from others. Receivables are presented net of estimated allowances for doubtful accounts. Management provides for doubtful accounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Amounts are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as income when received. As of June 30, 2014 and 2013, there was no allowance for doubtful accounts.

Contract receivables represent reimbursements for capital project expenses due from Ohio Facilities Construction Commission (see Note 9). \$259,570 and \$178,785 of these receivables were unbilled as of June 30, 2014 and 2013, respectively.

Inventories

Inventories consist of supplies and resale merchandise, and are valued at the lower of average cost or market. Inventories are presented net of an allowance for obsolescence in the amount of \$17,500 and \$31,500 as of June 30, 2014 and 2013, respectively.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives of the underlying assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation and amortization are eliminated from the accounts and any resulting gain or loss is reflected in income. Depreciation for financial reporting purposes is based on the following policies:

<u>Description</u>	<u>Useful Lives</u>	<u>Method</u>
Machinery and equipment	3-15 years	Straight-line
Vehicles	5-7 years	Straight-line
Buildings	30 years	Straight-line

Historic Collections, Exhibits and Properties

Purchased and contributed historical collections, exhibits, and properties are not included in the combined statements of financial position. No amounts are included in the combined statements of activities and changes in net assets for these contributed items because reasonable estimates of value are generally not available due to the nature of the objects. Donated items fall in the category of works of art, historical treasures and similar assets (see Note 6).

Long-Term Investments

Long-term investments primarily consist of an internally managed portfolio of stocks, bonds, and mutual funds and are presented at fair value. Net realized and unrealized gains and losses are reported as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations.

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

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

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2014 and 2013.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Organization at year end.

All of the Organization's financial instruments measured at fair value consist of assets which are valued using Level 1 inputs as of June 30, 2014 and 2013.

Classification of Net Assets

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

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Quasi-Endowment Funds

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

UPMIFA, ASC 958-205 and Endowment Funds

On November 17, 2008, the General Assembly adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The law was signed on January 6, 2009 and it became effective June 1, 2009. The Organization has evaluated the potential impact of the law as it relates to the Organization and the required disclosures in the combined financial statements.

During 2008, the Financial Accounting Standards Board released ASC 958-205, providing guidance on the net asset classification of donor-restricted endowment funds. ASC 958-205 requires enhanced disclosures for endowment funds.

The Board of Trustees has approved an investment policy detailing the long term goals, asset allocation, guidelines for security selection, measurable objectives and on-going communication. Objectives of the policy are, first and foremost, to preserve the safety to the principal and second, to maximize investment income. Endowment funds are subject to the investment policy approved by the Board of Trustees.

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

Joint Activity Costs

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

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$358,899 and \$304,379 for the years ended June 30, 2014 and 2013, respectively.

Salary Deferral Plans

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain business activities of the Organization may be subject to Federal income taxes. No provision for federal taxes was necessary for the years ended June 30, 2014 and 2013.

Generally accepted accounting principles require the Organization to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying statements of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Management believes that none of the tax positions taken would materially impact the financial statements and no such liabilities have been recorded. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state or local tax authorities for the years ended June 30, 2010 and prior.

Reclassifications

Certain expenses on the statement of activities for the year ended June 30, 2013, have been reclassified, with no effect on changes in net assets, to be consistent with the classifications adopted for the year ended June 30, 2014.

Subsequent Events

The Organization has evaluated subsequent events through November 13, 2014, the date on which the financial statements were available to be issued. There were no subsequent events requiring disclosure.

NOTE 2: RISKS AND UNCERTAINTIES

Uninsured Risk - Cash Deposits

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

Market Risk - Investments

The accompanying combined financial statements include investments in equity securities, corporate bonds and mutual funds. The underlying investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the inherent level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Concentration Risk - State Operating Subsidies

State operating subsidies represented 47% and 37% of the Organization's total support and revenue for the years ended June 30, 2014 and 2013, respectively. Future reductions in these subsidy allocations may have a material impact on the Organization's operations.

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 3: CASH AND CASH EQUIVALENTS

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

	2014	2013
Cash	\$ 495,002	\$ 302,622
Money market funds	52,956	197,400
Total	<u>\$ 547,958</u>	<u>\$ 500,022</u>

NOTE 4: CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of June 30:

Contributions Receivable	2014	2013
From individuals	\$ 67,130	\$ 39,295
From corporations	370,070	316,090
Gross contributions receivable	<u>437,200</u>	<u>355,385</u>
Less: unamortized discount	(20,343)	(16,923)
Less: allowance for doubtful accounts	(6,528)	(8,912)
Net contributions receivable	<u>\$ 410,329</u>	<u>\$ 329,550</u>
Amounts due in:		
Less than one year	\$ 412,200	\$ 190,385
One to five years	25,000	165,000
Less: unamortized discount	(20,343)	(16,923)
Less: allowance for doubtful accounts	(6,528)	(8,912)
Net contributions receivable	<u>\$ 410,329</u>	<u>\$ 329,550</u>

NOTE 5: PROPERTY AND EQUIPMENT

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

	2014	2013
Machinery and equipment	\$ 1,123,958	\$ 1,006,229
Land	465,866	634,016
Vehicles	434,274	411,227
Buildings	54,900	181,750
Property and equipment, at cost	<u>2,078,998</u>	<u>2,233,222</u>
Less: accumulated depreciation	(1,326,173)	(1,327,601)
Property and equipment, net	<u>\$ 752,825</u>	<u>\$ 905,621</u>

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 6: HISTORIC COLLECTIONS, EXHIBITS, AND PROPERTIES

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

The Organization has a formal collection policy that addresses the acquisition, use and disposition of objects as well as guidelines for making and receiving loans. The Organization had no material deaccessions during the years ended June 30, 2014 and 2013.

NOTE 7: LONG-TERM INVESTMENTS

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

	2014	2013
Certificates of deposit	\$ 460,134	\$ 434,467
Mutual funds	15,178,418	13,299,225
Total	\$ 15,638,552	\$ 13,733,692

NOTE 8: NET ASSETS

As of June 30, 2014 and 2013, temporarily restricted net assets are available for future year operations. Amounts are as follows:

Temporarily Restricted Net Assets	2014	2013
Ohio Bicentennial Commission	\$ 148,087	\$ 148,087
For specific sites and programs	3,265,378	2,586,506
Endowment fund balance	2,208,370	1,534,956
Total	\$ 5,621,835	\$ 4,269,549

Net assets were released from donor restrictions during years ended June 30, 2014 and 2013 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	2014	2013
Ohio Bicentennial Commission	\$ -	\$ 3,465
For specific sites and purposes	533,515	611,428
Total	\$ 533,515	\$ 614,893

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 8: NET ASSETS (CONTINUED)

Endowment fund activity consisted of the following for the year ended June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 80,335	\$ 1,534,956	\$ 3,905,681	\$ 5,520,972
Investment return	70,641	798,947	-	869,588
Contributions and other additions	-	-	307,738	307,738
Appropriated for expenditure	(12,845)	(125,533)	-	(138,378)
Endowment net assets, end of year	<u>\$ 138,131</u>	<u>\$ 2,208,370</u>	<u>\$ 4,213,419</u>	<u>\$ 6,559,920</u>

Endowment fund activity consisted of the following for the year ended June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 45,692	\$ 1,144,283	\$ 3,887,131	\$ 5,077,106
Investment return	46,329	501,684	-	548,013
Contributions and other additions	-	-	18,550	18,550
Appropriated for expenditure	(11,686)	(111,011)	-	(122,697)
Endowment net assets, end of year	<u>\$ 80,335</u>	<u>\$ 1,534,956</u>	<u>\$ 3,905,681</u>	<u>\$ 5,520,972</u>

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

NOTE 9: STATE CAPITAL APPROPRIATIONS

As of June 30, 2014, the Organization still has available for future use bond money appropriated to the Ohio Facilities Construction Commission from the State for various capital projects in the amount of \$2,445,000. Budgetary restrictions imposed by the State may reduce the amount of funds actually available.

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 10: LINE OF CREDIT

The Organization has entered into a line of credit agreement with a bank that allows the Organization to borrow up to \$500,000, with no stated expiration date. The line of credit is secured by the financial assets of the Organization and requires monthly interest payments calculated at the bank's prime rate plus 0.75%. The balance on the line of credit was \$150,000 as of June 30, 2014. There was no balance on this line of credit as of June 30, 2013.

NOTE 11: PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

The risk of participating in this multiemployer plan is different from single-employer plans in the following aspects:

- a) Assets contributed to the multiemployer plan by one entity may be used to provide benefits to employees of other participating entities.
- b) If a participating entity stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating entities.
- c) If the Organization stops participating in some or all of its multiemployer plans and continues in business, the Organization could be required to pay an amount, referred to as withdrawal liability, based on the unfunded status of the plan. The Organization has no intention of stopping its participation in any multiemployer plans.

Generally accepted accounting principles require certain information to be disclosed regarding multiemployer pension plans such as the Plan name and year, the most recent Pension Protection Act (PPA) zone status for the most recent year available, and the expiration dates of the Collective Bargaining Agreement to which the plan is subjected. The system issues a stand-alone financial report which discloses this information. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Plan members and Organization employees are required to contribute 10.0% of their annual covered salary to fund pension obligations, and the Organization is required to contribute 14.0%. Contributions are authorized by State statute, and the contribution rates are determined actuarially. The Organization's contributions to the System for the years ended June 30, 2014 and 2013, were approximately \$1,112,000 and \$1,049,000, respectively, equal to the required contributions for each year. The Organization's contributions represented less than 5% of the total contributions made to the plan for the years ended June 30, 2014 and 2013.

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE COMBINED FINANCIAL STATEMENTS

NOTE 11: PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Post-Employment Benefits Other Than Pension Benefits

The System also provides post-retirement healthcare coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. A portion of each employer's contribution to the System is set aside for the funding of post-retirement healthcare. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was 14.0% of covered payroll; 2% was the portion that was used to fund post-retirement healthcare.

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

The System's audited estimated net assets available for payment of benefits as of December 31, 2013, (the latest information available) were approximately \$88.989 billion.

NOTE 12: COMMITMENTS AND CONTINGENCIES

The Organization is committed to certain levels of cost sharing (matching) pertaining to specific federal grants, and its obligation to complete various ongoing capital projects.

The Organization is subject to certain legal claims and matters incurred in the normal course of business. Management believes the impact of any outstanding matters as of June 30, 2014 will not have a material adverse effect on the Organization's financial position and results of activities.

November 13, 2014

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of the Ohio Historical Society and Affiliate (doing business as "Ohio History Connection" and collectively referred to as the "Organization"), which comprise the combined statement of financial position as of June 30, 2014, the related combined statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated November 13, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio

November 13, 2014

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited the Ohio Historical Society and Affiliate (doing business as "Ohio History Connection" and collectively referred to as the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2014. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Rea & Associates, Inc.
Dublin, Ohio

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Federal Disbursements
U.S. National Archives and Records Administration National Historical Publications and Records Commission: Ohio Historical Records Advisory Board Planning	89.003	\$ 26,815
Institute of Museum and Library Services Grants to States	45.310	30,779
National Leadership Grants	45.312	19,168
Total Institute of Museum and Library Services:		49,947
U.S. Department of Education Office of Innovation and Improvement: Teaching American History	84.215X	21,631
U.S. Department of the Interior National Park Service Historic Preservation Fund Grants-in-Aid	15.904	1,006,179
American Battlefield Protection	15.957	1,016
Total U.S. Department of the Interior:		1,007,195
National and Community Service AmeriCorps - The Ohio History Services Corps	94.006	233,214
Federal Highway Administration Morgan's Raiders Highway Markers	20.205	13,124
National Endowment for the Humanities Promotion of Humanities-Division of Preservation and Access	45.149	119,712
Promotion of Humanities-Teaching and Learning Resources	45.162	103,308
Promotion of Humanities-Public Programs	45.164	31,468
Total National Endowment for Humanities:		254,488
U.S. Department of Housing and Urban Development Office of Community Planning and Development Administration of Native Americans (ANA) Grant Eastern Shawnee	14.251	5,613
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 1,612,027

See notes to the schedule of expenditures of federal awards.

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: PASS-THROUGH TO SUBRECIPIENTS

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

<u>Program Title and CFDA #</u>	<u>Amount</u>
Historic Preservation Fund Grants-in-Aid (CFDA #15.904)	\$ 119,599

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 Section .505
JUNE 30, 2014

1. SUMMARY OF AUDITOR'S RESULTS
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(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under Section .510 of Circular A-133?	No
(d) (1) (vii)	Major Programs (list):	15.904 – Historic Preservation Funds Grant-in-Aid
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

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

None were noted.

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION
COMBINING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2014

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>ASSETS</u>								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 18,585	\$ 148,087	\$ -	\$ 166,672	\$ 377,299	\$ -	\$ 3,987	\$ 381,286
Receivables:								
Grants	242,432	-	-	242,432	-	-	-	-
Contracts	752,028	-	-	752,028	-	-	-	-
Current portion of pledges, net	-	-	-	-	-	386,865	-	386,865
Other	380,889	-	-	380,889	49,930	-	-	49,930
Inventories, net	247,352	-	-	247,352	-	-	-	-
Prepaid expenses and other current assets	52,414	-	-	52,414	-	34,274	-	34,274
Total current assets	1,693,700	148,087	-	1,841,787	427,229	421,139	3,987	852,355
PROPERTY AND EQUIPMENT, net	636,825	-	-	636,825	116,000	-	-	116,000
PLEDGES RECEIVABLE, net of current portion	-	-	-	-	-	23,464	-	23,464
LONG-TERM INVESTMENTS	191,064	-	-	191,064	6,208,911	5,029,145	4,209,432	15,447,488
Total assets	\$ 2,521,589	\$ 148,087	\$ -	\$ 2,669,676	\$ 6,752,140	\$ 5,473,748	\$ 4,213,419	\$ 16,439,307
<u>LIABILITIES AND NET ASSETS</u>								
CURRENT LIABILITIES:								
Accounts payable	\$ 1,126,257	\$ -	\$ -	\$ 1,126,257	\$ 166,202	\$ -	\$ -	\$ 166,202
Line of credit	150,000	-	-	150,000	-	-	-	-
Accrued salaries, wages and other liabilities	806,071	-	-	806,071	-	-	-	-
Accrued leave liability	610,330	-	-	610,330	-	-	-	-
Deferred subscription and other revenue	754,616	-	-	754,616	-	-	-	-
Total current liabilities	3,447,274	-	-	3,447,274	166,202	-	-	166,202
NET ASSETS:								
Operations	(2,850,740)	-	-	(2,850,740)	4,175,623	3,265,378	-	7,441,001
Board designated:								
Reserves	501,065	-	-	501,065	-	-	-	-
Specific programs and projects	1,423,990	-	-	1,423,990	-	-	-	-
Ohio Bicentennial Commission	-	148,087	-	148,087	-	-	-	-
Endowment fund balance	-	-	-	-	138,131	2,208,370	4,213,419	6,559,920
Quasi-Endowment	-	-	-	-	2,272,184	-	-	2,272,184
Total net assets	(925,685)	148,087	-	(777,598)	6,585,938	5,473,748	4,213,419	16,273,105
Total liabilities and net assets	\$ 2,521,589	\$ 148,087	\$ -	\$ 2,669,676	\$ 6,752,140	\$ 5,473,748	\$ 4,213,419	\$ 16,439,307

	Total				Intercompany Adjustments		Combined Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>ASSETS</u>										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 395,884	\$ 148,087	\$ 3,987	\$ 547,958	\$ -	\$ -	\$ 395,884	\$ 148,087	\$ 3,987	\$ 547,958
Receivables:										
Grants	242,432	-	-	242,432	-	-	242,432	-	-	242,432
Contracts	752,028	-	-	752,028	-	-	752,028	-	-	752,028
Current portion of pledges, net	-	386,865	-	386,865	-	-	-	386,865	-	386,865
Other	430,819	-	-	430,819	(180,391)	-	250,428	-	-	250,428
Inventories, net	247,352	-	-	247,352	-	-	247,352	-	-	247,352
Prepaid expenses and other current assets	52,414	34,274	-	86,688	-	-	52,414	34,274	-	86,688
Total current assets	2,120,929	569,226	3,987	2,694,142	(180,391)	-	1,940,538	569,226	3,987	2,513,751
PROPERTY AND EQUIPMENT, net	752,825	-	-	752,825	-	-	752,825	-	-	752,825
PLEDGES RECEIVABLE, net of current portion	-	23,464	-	23,464	-	-	-	23,464	-	23,464
LONG-TERM INVESTMENTS	6,399,975	5,029,145	4,209,432	15,638,552	-	-	6,399,975	5,029,145	4,209,432	15,638,552
Total assets	\$ 9,273,729	\$ 5,621,835	\$ 4,213,419	\$ 19,108,983	\$ (180,391)	\$ -	\$ 9,093,338	\$ 5,621,835	\$ 4,213,419	\$ 18,928,592
<u>LIABILITIES AND NET ASSETS</u>										
CURRENT LIABILITIES:										
Accounts payable	\$ 1,292,459	\$ -	\$ -	\$ 1,292,459	\$ -	\$ (180,391)	\$ 1,112,068	\$ -	\$ -	\$ 1,112,068
Line of credit	150,000	-	-	150,000	-	-	150,000	-	-	150,000
Accrued salaries, wages and other liabilities	806,071	-	-	806,071	-	-	806,071	-	-	806,071
Accrued leave liability	610,330	-	-	610,330	-	-	610,330	-	-	610,330
Deferred subscription and other revenue	754,616	-	-	754,616	-	-	754,616	-	-	754,616
Total current liabilities	3,613,476	-	-	3,613,476	-	(180,391)	3,433,085	-	-	3,433,085
NET ASSETS:										
Operations	1,324,883	3,265,378	-	4,590,261	-	-	1,324,883	3,265,378	-	4,590,261
Board designated:										
Reserves	501,065	-	-	501,065	-	-	501,065	-	-	501,065
Specific programs and projects	1,423,990	-	-	1,423,990	-	-	1,423,990	-	-	1,423,990
Ohio Bicentennial Commission	-	148,087	-	148,087	-	-	-	148,087	-	148,087
Endowment fund balance	138,131	2,208,370	4,213,419	6,559,920	-	-	138,131	2,208,370	4,213,419	6,559,920
Quasi-Endowment	2,272,184	-	-	2,272,184	-	-	2,272,184	-	-	2,272,184
Total net assets	5,660,253	5,621,835	4,213,419	15,495,507	-	-	5,660,253	5,621,835	4,213,419	15,495,507
Total liabilities and net assets	\$ 9,273,729	\$ 5,621,835	\$ 4,213,419	\$ 19,108,983	\$ -	\$ (180,391)	\$ 9,093,338	\$ 5,621,835	\$ 4,213,419	\$ 18,928,592

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

COMBINING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2013

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>ASSETS</u>								
CURRENT ASSETS:								
Cash and cash equivalents	\$ 88,392	\$ 148,087	\$ -	\$ 236,479	\$ 263,543	\$ -	\$ -	\$ 263,543
Receivables:								
Grants	268,062	-	-	268,062	-	-	-	-
Contracts	666,487	-	-	666,487	-	-	-	-
Contributions, net	-	-	-	-	-	190,385	-	190,385
Other	294,115	-	-	294,115	4,385	-	-	4,385
Inventories, net	244,136	-	-	244,136	-	-	-	-
Prepaid expenses and other current assets	80,367	-	-	80,367	-	34,274	-	34,274
Total current assets	1,641,559	148,087	-	1,789,646	267,928	224,659	-	492,587
PROPERTY AND EQUIPMENT, net	539,018	-	-	539,018	366,603	-	-	366,603
PLEDGES RECEIVABLE, net of current portion	-	-	-	-	-	139,165	-	139,165
LONG-TERM INVESTMENTS	172,727	-	-	172,727	5,897,646	3,757,638	3,905,681	13,560,965
Total assets	\$ 2,353,304	\$ 148,087	\$ -	\$ 2,501,391	\$ 6,532,177	\$ 4,121,462	\$ 3,905,681	\$ 14,559,320
<u>LIABILITIES AND NET ASSETS</u>								
CURRENT LIABILITIES:								
Accounts payable	\$ 692,182	\$ -	\$ -	\$ 692,182	\$ 120,365	\$ -	\$ -	\$ 120,365
Accrued salaries, wages and other liabilities	761,416	-	-	761,416	-	-	-	-
Accrued leave liability	570,994	-	-	570,994	-	-	-	-
Deferred subscription and other revenue	638,871	-	-	638,871	-	-	-	-
Total current liabilities	2,663,463	-	-	2,663,463	120,365	-	-	120,365
NET ASSETS:								
Operations	(2,197,144)	-	-	(2,197,144)	4,030,026	2,586,506	-	6,616,532
Board designated:								
Reserves	500,706	-	-	500,706	-	-	-	-
Specific programs and projects	1,386,279	-	-	1,386,279	-	-	-	-
Ohio Bicentennial Commission	-	148,087	-	148,087	-	-	-	-
Endowment fund balance	-	-	-	-	80,335	1,534,956	3,905,681	5,520,972
Quasi-Endowment	-	-	-	-	2,301,451	-	-	2,301,451
Total net assets	(310,159)	148,087	-	(162,072)	6,411,812	4,121,462	3,905,681	14,438,955
Total liabilities and net assets	\$ 2,353,304	\$ 148,087	\$ -	\$ 2,501,391	\$ 6,532,177	\$ 4,121,462	\$ 3,905,681	\$ 14,559,320

	Total				Intercompany Adjustments		Combined Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 351,935	\$ 148,087	\$ -	\$ 500,022	\$ -	\$ -	\$ 351,935	\$ 148,087	\$ -	\$ 500,022
Receivables:										
Grants	268,062	-	-	268,062	-	-	268,062	-	-	268,062
Contracts	666,487	-	-	666,487	-	-	666,487	-	-	666,487
Contributions, net	-	190,385	-	190,385	-	-	-	190,385	-	190,385
Other	298,500	-	-	298,500	(120,365)	-	178,135	-	-	178,135
Inventories, net	244,136	-	-	244,136	-	-	244,136	-	-	244,136
Prepaid expenses and other current assets	80,367	34,274	-	114,641	-	-	80,367	34,274	-	114,641
Total current assets	1,909,487	372,746	-	2,282,233	(120,365)	-	1,789,122	372,746	-	2,161,868
PROPERTY AND EQUIPMENT, net	905,621	-	-	905,621	-	-	905,621	-	-	905,621
PLEDGES RECEIVABLE, net of current portion	-	139,165	-	139,165	-	-	-	139,165	-	139,165
LONG-TERM INVESTMENTS	6,070,373	3,757,638	3,905,681	13,733,692	-	-	6,070,373	3,757,638	3,905,681	13,733,692
Total assets	\$ 8,885,481	\$ 4,269,549	\$ 3,905,681	\$ 17,060,711	\$ (120,365)	\$ -	\$ 8,765,116	\$ 4,269,549	\$ 3,905,681	\$ 16,940,346
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES:										
Accounts payable	\$ 812,547	\$ -	\$ -	\$ 812,547	\$ -	\$ (120,365)	\$ 692,182	\$ -	\$ -	\$ 692,182
Accrued salaries, wages and other liabilities	761,416	-	-	761,416	-	-	761,416	-	-	761,416
Accrued leave liability	570,994	-	-	570,994	-	-	570,994	-	-	570,994
Deferred subscription and other revenue	638,871	-	-	638,871	-	-	638,871	-	-	638,871
Total current liabilities	2,783,828	-	-	2,783,828	-	(120,365)	2,663,463	-	-	2,663,463
NET ASSETS:										
Operations	1,832,882	2,586,506	-	4,419,388	-	-	1,832,882	2,586,506	-	4,419,388
Board designated:										
Reserves	500,706	-	-	500,706	-	-	500,706	-	-	500,706
Specific programs and projects	1,386,279	-	-	1,386,279	-	-	1,386,279	-	-	1,386,279
Ohio Bicentennial Commission	-	148,087	-	148,087	-	-	-	148,087	-	148,087
Endowment fund balance	80,335	1,534,956	3,905,681	5,520,972	-	-	80,335	1,534,956	3,905,681	5,520,972
Quasi-Endowment	2,301,451	-	-	2,301,451	-	-	2,301,451	-	-	2,301,451
Total net assets	6,101,653	4,269,549	3,905,681	14,276,883	-	-	6,101,653	4,269,549	3,905,681	14,276,883
Total liabilities and net assets	\$ 8,885,481	\$ 4,269,549	\$ 3,905,681	\$ 17,060,711	\$ -	\$ (120,365)	\$ 8,765,116	\$ 4,269,549	\$ 3,905,681	\$ 16,940,346

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:								
State appropriations:								
Operating subsidies	\$ 9,355,935	\$ -	\$ -	\$ 9,355,935	\$ -	\$ -	\$ -	\$ -
Capital projects	2,946,447	-	-	2,946,447	-	-	-	-
Government contracts and grants	2,114,559	-	-	2,114,559	-	-	-	-
Private contracts and grants	122,312	-	-	122,312	-	-	-	-
Contributions	1,802,893	-	-	1,802,893	620,912	1,084,854	22,405	1,728,171
Contributed materials and services	780,624	-	-	780,624	-	-	-	-
Other support	-	-	-	-	-	2,000	-	2,000
Total support	17,122,770	-	-	17,122,770	620,912	1,086,854	22,405	1,730,171
REVENUE:								
Admissions and parking	288,038	-	-	288,038	-	-	-	-
Memberships and subscriptions	480,520	-	-	480,520	-	-	-	-
Investment income	5,121	-	-	5,121	183,802	122,535	-	306,337
Sales and facilities use	301,133	-	-	301,133	-	-	-	-
Special events	182,507	-	-	182,507	-	-	-	-
Program services income	458,482	-	-	458,482	-	-	-	-
Other revenue	770,793	-	-	770,793	(350)	-	-	(350)
Total revenue	2,486,594	-	-	2,486,594	183,452	122,535	-	305,987
Net assets released from restrictions	-	-	-	-	533,515	(533,515)	-	-
Total support and revenue	19,609,364	-	-	19,609,364	1,337,879	675,874	22,405	2,036,158
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	11,024,569	-	-	11,024,569	-	-	-	-
Contributed materials and services	780,624	-	-	780,624	-	-	-	-
State archives and library	1,247,217	-	-	1,247,217	-	-	-	-
Historic preservation office	1,907,155	-	-	1,907,155	-	-	-	-
Capital projects	2,946,447	-	-	2,946,447	-	-	-	-
Support services:								
Management and general	2,014,209	-	-	2,014,209	9,806	-	-	9,806
Fundraising	680,979	-	-	680,979	-	-	-	-
Total expenses	20,601,200	-	-	20,601,200	9,806	-	-	9,806
Changes in net assets from operations	(991,836)	-	-	(991,836)	1,328,073	675,874	22,405	2,026,352
OTHER INCOME (EXPENSES):								
Collection items purchased but not capitalized	(23,690)	-	-	(23,690)	-	-	-	-
Net realized and unrealized gains (losses) on investments	-	-	-	-	1,315,507	676,412	-	1,991,919
Transfer of net asset restrictions	-	-	-	-	(285,333)	-	285,333	-
Changes in net assets before transfer of fund restrictions	(1,015,526)	-	-	(1,015,526)	2,358,247	1,352,286	307,738	4,018,271
Intercompany transfers	400,000	-	-	400,000	(2,184,121)	-	-	(2,184,121)
Change in net assets	(615,526)	-	-	(615,526)	174,126	1,352,286	307,738	1,834,150
NET ASSETS, beginning of year	(310,159)	148,087	-	(162,072)	6,411,812	4,121,462	3,905,681	14,438,955
NET ASSETS, end of year	\$ (925,685)	\$ 148,087	\$ -	\$ (777,598)	\$ 6,585,938	\$ 5,473,748	\$ 4,213,419	\$ 16,273,105

	Total				Intercompany Adjustments		Combined Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:										
State appropriations:										
Operating subsidies	\$ 9,355,935	\$ -	\$ -	\$ 9,355,935	\$ -	\$ -	\$ 9,355,935	\$ -	\$ -	\$ 9,355,935
Capital projects	2,946,447	-	-	2,946,447	-	-	2,946,447	-	-	2,946,447
Government contracts and grants	2,114,559	-	-	2,114,559	-	-	2,114,559	-	-	2,114,559
Private contracts and grants	122,312	-	-	122,312	-	-	122,312	-	-	122,312
Contributions	2,423,805	1,084,854	22,405	3,531,064	(1,784,121)	-	639,684	1,084,854	22,405	1,746,943
Contributed materials and services	780,624	-	-	780,624	-	-	780,624	-	-	780,624
Other support	-	2,000	-	2,000	-	-	-	2,000	-	2,000
Total support	17,743,682	1,086,854	22,405	18,852,941	(1,784,121)	-	15,959,561	1,086,854	22,405	17,068,820
REVENUE:										
Admissions and parking	288,038	-	-	288,038	-	-	288,038	-	-	288,038
Memberships and subscriptions	480,520	-	-	480,520	-	-	480,520	-	-	480,520
Investment income	188,923	122,535	-	311,458	-	-	188,923	122,535	-	311,458
Sales and facilities use	301,133	-	-	301,133	-	-	301,133	-	-	301,133
Special events	182,507	-	-	182,507	-	-	182,507	-	-	182,507
Program services income	458,482	-	-	458,482	-	-	458,482	-	-	458,482
Other revenue	770,443	-	-	770,443	-	-	770,443	-	-	770,443
Total revenue	2,670,046	122,535	-	2,792,581	-	-	2,670,046	122,535	-	2,792,581
Net assets released from restrictions	533,515	(533,515)	-	-	-	-	533,515	(533,515)	-	-
Total support and revenue	20,947,243	675,874	22,405	21,645,522	(1,784,121)	-	19,163,122	675,874	22,405	19,861,401
EXPENSES:										
Program expenses:										
Site operations, educational and interpretive programs	11,024,569	-	-	11,024,569	-	-	11,024,569	-	-	11,024,569
Contributed materials and services	780,624	-	-	780,624	-	-	780,624	-	-	780,624
State archives and library	1,247,217	-	-	1,247,217	-	-	1,247,217	-	-	1,247,217
Historic preservation office	1,907,155	-	-	1,907,155	-	-	1,907,155	-	-	1,907,155
Capital projects	2,946,447	-	-	2,946,447	-	-	2,946,447	-	-	2,946,447
Support services:										
Management and general	2,024,015	-	-	2,024,015	-	-	2,024,015	-	-	2,024,015
Fundraising	680,979	-	-	680,979	-	-	680,979	-	-	680,979
Total expenses	20,611,006	-	-	20,611,006	-	-	20,611,006	-	-	20,611,006
Changes in net assets from operations	336,237	675,874	22,405	1,034,516	(1,784,121)	-	(1,447,884)	675,874	22,405	(749,605)
Collection items purchased but not capitalized	(23,690)	-	-	(23,690)	-	-	(23,690)	-	-	(23,690)
Net realized and unrealized gains (losses)	1,315,507	676,412	-	1,991,919	-	-	1,315,507	676,412	-	1,991,919
Transfer of net asset restrictions	(285,333)	-	285,333	-	-	-	(285,333)	-	285,333	-
Changes in net assets before transfers	1,342,721	1,352,286	307,738	3,002,745	(1,784,121)	-	(441,400)	1,352,286	307,738	1,218,624
Intercompany transfers	(1,784,121)	-	-	(1,784,121)	-	1,784,121	-	-	-	-
Change in net assets	(441,400)	1,352,286	307,738	1,218,624	(1,784,121)	1,784,121	(441,400)	1,352,286	307,738	1,218,624
NET ASSETS, beginning of year	6,101,653	4,269,549	3,905,681	14,276,883	-	-	6,101,653	4,269,549	3,905,681	14,276,883
NET ASSETS, end of year	\$ 5,660,253	\$ 5,621,835	\$ 4,213,419	\$ 15,495,507	\$ (1,784,121)	\$ 1,784,121	\$ 5,660,253	\$ 5,621,835	\$ 4,213,419	\$ 15,495,507

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

OHIO HISTORICAL SOCIETY AND AFFILIATE
dba OHIO HISTORY CONNECTION

COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013

	Ohio Historical Society				Ohio Historical Society Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:								
State appropriations:								
Operating subsidies	\$ 7,104,529	\$ -	\$ -	\$ 7,104,529	\$ -	\$ -	\$ -	\$ -
Capital projects	3,866,037	-	-	3,866,037	-	-	-	-
Government contracts and grants	2,853,878	-	-	2,853,878	-	-	-	-
Private contracts and grants	119,568	-	-	119,568	-	-	-	-
Contributions	985,319	-	-	985,319	446,541	843,563	18,550	1,308,654
Contributed materials and services	1,146,864	-	-	1,146,864	-	-	-	-
Other support	-	-	-	-	10,000	-	-	10,000
Total support	16,076,195	-	-	16,076,195	456,541	843,563	18,550	1,318,654
REVENUE:								
Admissions and parking	187,030	-	-	187,030	-	-	-	-
Memberships and subscriptions	419,637	-	-	419,637	-	-	-	-
Investment income	5,721	-	-	5,721	196,376	118,228	-	314,604
Sales and facilities use	289,355	-	-	289,355	-	-	-	-
Special events	189,160	-	-	189,160	-	-	-	-
Program services income	640,265	-	-	640,265	-	-	-	-
Other revenue	900,978	-	-	900,978	-	-	-	-
Total revenue	2,632,146	-	-	2,632,146	196,376	118,228	-	314,604
Net assets released from restrictions	3,465	(3,465)	-	-	611,428	(611,428)	-	-
Total support and revenue	18,711,806	(3,465)	-	18,708,341	1,264,345	350,363	18,550	1,633,258
EXPENSES:								
Program expenses:								
Site operations, educational and interpretive programs	9,170,750	-	-	9,170,750	-	-	-	-
Contributed materials and services	1,146,864	-	-	1,146,864	-	-	-	-
State archives and library	1,042,958	-	-	1,042,958	-	-	-	-
Historic preservation office	1,873,222	-	-	1,873,222	-	-	-	-
Capital projects	3,866,037	-	-	3,866,037	-	-	-	-
Support services:								
Management and general	2,426,040	-	-	2,426,040	8,348	-	-	8,348
Fundraising	566,125	-	-	566,125	-	-	-	-
Total expenses	20,091,996	-	-	20,091,996	8,348	-	-	8,348
Changes in net assets from operations	(1,380,190)	(3,465)	-	(1,383,655)	1,255,997	350,363	18,550	1,624,910
OTHER INCOME (EXPENSES):								
Collection items purchased but not capitalized	(19,363)	-	-	(19,363)	-	-	-	-
Net realized and unrealized gains (losses) on investments	1,214	-	-	1,214	637,979	567,290	-	1,205,269
Changes in net assets before transfer of fund restrictions	(1,398,339)	(3,465)	-	(1,401,804)	1,893,976	917,653	18,550	2,830,179
Intercompany transfers	1,342,000	-	-	1,342,000	(2,325,059)	-	-	(2,325,059)
Transfers to outside organizations	-	-	-	-	-	(4,883)	-	(4,883)
Change in net assets	(56,339)	(3,465)	-	(59,804)	(431,083)	912,770	18,550	500,237
NET ASSETS, beginning of year	(253,820)	151,552	-	(102,268)	6,842,895	3,208,692	3,887,131	13,938,718
NET ASSETS, end of year	\$ (310,159)	\$ 148,087	\$ -	\$ (162,072)	\$ 6,411,812	\$ 4,121,462	\$ 3,905,681	\$ 14,438,955

	Total				Intercompany Adjustments		Combined Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	OHS	OHSF	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT:										
State appropriations:										
Operating subsidies	\$ 7,104,529	\$ -	\$ -	\$ 7,104,529	\$ -	\$ -	\$ 7,104,529	\$ -	\$ -	\$ 7,104,529
Capital projects	3,866,037	-	-	3,866,037	-	-	3,866,037	-	-	3,866,037
Government contracts and grants	2,853,878	-	-	2,853,878	-	-	2,853,878	-	-	2,853,878
Private contracts and grants	119,568	-	-	119,568	-	-	119,568	-	-	119,568
Contributions	1,431,860	843,563	18,550	2,293,973	(983,059)	-	448,801	843,563	18,550	1,310,914
Contributed materials and services	1,146,864	-	-	1,146,864	-	-	1,146,864	-	-	1,146,864
Other support	10,000	-	-	10,000	-	-	10,000	-	-	10,000
Total support	16,532,736	843,563	18,550	17,394,849	(983,059)	-	15,549,677	843,563	18,550	16,411,790
REVENUE:										
Admissions and parking	187,030	-	-	187,030	-	-	187,030	-	-	187,030
Memberships and subscriptions	419,637	-	-	419,637	-	-	419,637	-	-	419,637
Investment income	202,097	118,228	-	320,325	-	-	202,097	118,228	-	320,325
Sales and facilities use	289,355	-	-	289,355	-	-	289,355	-	-	289,355
Special events	189,160	-	-	189,160	-	-	189,160	-	-	189,160
Program services income	640,265	-	-	640,265	-	-	640,265	-	-	640,265
Other revenue	900,978	-	-	900,978	-	-	900,978	-	-	900,978
Total revenue	2,828,522	118,228	-	2,946,750	-	-	2,828,522	118,228	-	2,946,750
Net assets released from restrictions	614,893	(614,893)	-	-	-	-	614,893	(614,893)	-	-
Total support and revenue	19,976,151	346,898	18,550	20,341,599	(983,059)	-	18,993,092	346,898	18,550	19,358,540
EXPENSES:										
Program expenses:										
Site operations, educational and interpretive programs	9,170,750	-	-	9,170,750	-	-	9,170,750	-	-	9,170,750
Contributed materials and services	1,146,864	-	-	1,146,864	-	-	1,146,864	-	-	1,146,864
State archives and library	1,042,958	-	-	1,042,958	-	-	1,042,958	-	-	1,042,958
Historic preservation office	1,873,222	-	-	1,873,222	-	-	1,873,222	-	-	1,873,222
Capital projects	3,866,037	-	-	3,866,037	-	-	3,866,037	-	-	3,866,037
Support services:										
Management and general	2,434,388	-	-	2,434,388	-	-	2,434,388	-	-	2,434,388
Fundraising	566,125	-	-	566,125	-	-	566,125	-	-	566,125
Total expenses	20,100,344	-	-	20,100,344	-	-	20,100,344	-	-	20,100,344
Changes in net assets from operations	(124,193)	346,898	18,550	241,255	(983,059)	-	(1,107,252)	346,898	18,550	(741,804)
Collection items purchased but not capitalized	(19,363)	-	-	(19,363)	-	-	(19,363)	-	-	(19,363)
Net realized and unrealized gains (losses) on investments	639,193	567,290	-	1,206,483	-	-	639,193	567,290	-	1,206,483
Changes in net assets before transfers	495,637	914,188	18,550	1,428,375	(983,059)	-	(487,422)	914,188	18,550	445,316
Intercompany transfers	(983,059)	-	-	(983,059)	-	983,059	-	-	-	-
Transfers to outside organizations	-	(4,883)	-	(4,883)	-	-	-	(4,883)	-	(4,883)
Change in net assets	(487,422)	909,305	18,550	440,433	(983,059)	983,059	(487,422)	909,305	18,550	440,433
NET ASSETS, beginning of year	6,589,075	3,360,244	3,887,131	13,836,450	-	-	6,589,075	3,360,244	3,887,131	13,836,450
NET ASSETS, end of year	\$ 6,101,653	\$ 4,269,549	\$ 3,905,681	\$ 14,276,883	\$ (983,059)	\$ 983,059	\$ 6,101,653	\$ 4,269,549	\$ 3,905,681	\$ 14,276,883

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



Dave Yost • Auditor of State

OHIO HISTORICAL SOCIETY AND AFFILIATE D/B/A OHIO HISTORY CONNECTION

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
DECEMBER 18, 2014**