



Dave Yost • Auditor of State

**MASSILLON MUSEUM
STARK COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Massillon Museum
Stark County
121 Lincoln Way E.
Massillon, Ohio 44646

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Massillon Museum (a not-for-profit corporation), Stark County, Ohio (the Museum), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Museum's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Museum's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Museum's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Massillon Museum (a not-for-profit corporation), Stark County, Ohio, as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of the Museum as of and for the year ended December 31, 2011 were audited by a predecessor auditor. An unmodified opinion was issued June 22, 2012 by the predecessor auditor. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013, on our consideration of the Museum'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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 Museum's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

September 30, 2013

MASSILLON MUSEUM
STATEMENTS OF FINANCIAL POSITION
December 31, 2012 and 2011

ASSETS

<u>ASSETS</u>	2012	2011
Cash and cash equivalents	\$ 343,803	\$ 362,996
Investments - at fair value - NOTE B	234,857	208,465
Beneficial interest in assets of Stark Community Foundation-NOTE C	48,734	44,275
Accounts Receivable	1,198	1,200
Government appropriations tax receivable - NOTE F	480,000	465,500
Inventory - museum shop	13,085	14,476
Collections	1,925	1,925
Property and equipment - NOTE D	2,192,359	2,302,790
Prepaid expenses	4,070	3,725
Other assets	97	97
	<u>\$ 3,320,128</u>	<u>\$ 3,405,449</u>
TOTAL ASSETS	<u>\$ 3,320,128</u>	<u>\$ 3,405,449</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 13,422	\$ 18,809
Accrued payroll and related liabilities	23,812	27,417
Commitments and contingent liabilities - NOTE H	-	-
	<u>37,234</u>	<u>46,226</u>
TOTAL LIABILITIES	<u>37,234</u>	<u>46,226</u>

NET ASSETS

Unrestricted	3,065,577	3,155,612
Temporarily restricted - NOTE E	115,918	106,299
Permanently restricted - NOTE E	101,399	97,312
	<u>3,282,894</u>	<u>3,359,223</u>
TOTAL NET ASSETS	<u>3,282,894</u>	<u>3,359,223</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,320,128</u>	<u>\$ 3,405,449</u>

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

MASSILLON MUSEUM
STATEMENTS OF ACTIVITIES

Year Ended December 31, 2012 with Comparative totals for 2011

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>
<u>REVENUES, GAINS AND OTHER SUPPORT</u>		
Contributions	\$ 38,607	-
Government appropriation tax - NOTE F	538,585	-
In-kind contributions	3,356	-
Grants	81,353	25,774
Exhibitions	6,843	-
Membership of museum	40,196	-
Museum shop sales:		
Gross profit	11,401	-
Less cost of sales	(7,274)	-
Program and other fees	36,407	-
Fundraisers (revenue of \$3,555 and \$3,014 net of direct costs of \$2,206 and \$448)	1,349	-
Interest and dividends	7,872	545
Realized gain (loss) on sale of investments and beneficial interest	(5,558)	-
Unrealized gain (loss) on investments and beneficial interest	19,411	-
Miscellaneous	9,221	-
Lease income	7,065	-
Net assets released from restrictions:		
Satisfaction of donor or program restrictions	16,700	(16,700)
	805,534	9,619
<u>TOTAL REVENUES, GAINS AND OTHER SUPPORT</u>		
<u>EXPENSES</u>		
Collection purchases	-	-
Program services	520,928	
Fundraising	60,920	
Management and general	313,721	
TOTAL EXPENSES	895,569	-
	(90,035)	9,619
<u>INCREASE (DECREASE) IN NET ASSETS</u>		
NET ASSETS AT BEGINNING OF YEAR	3,155,612	106,299
NET ASSETS AT END OF YEAR	\$ 3,065,577	\$ 115,918

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

PERMANENTLY RESTRICTED	TOTAL	
	2012	2011
-	\$ 38,607	\$ 15,855
-	538,585	585,926
-	3,356	1,946
-	107,127	236,759
-	6,843	2,750
-	40,196	29,236
-	11,401	11,587
-	(7,274)	(5,585)
-	36,407	30,008
-	1,349	2,566
-	8,417	7,330
4,087	(1,471)	2,682
-	19,411	(10,303)
-	9,221	2,985
-	7,065	5,000
-	-	-
4,087	819,240	918,742
-	-	3,408
-	520,928	488,025
-	60,920	71,564
-	313,721	268,764
-	895,569	831,761
4,087	(76,329)	86,981
97,312	3,359,223	3,272,242
\$ 101,399	\$ 3,282,894	\$ 3,359,223

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

MASSILLON MUSEUM
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended December 31, 2012 with Comparative totals for 2011

	PROGRAM SERVICES	FUNDRAISING	MANAGEMENT AND GENERAL	TOTAL	
				2012	2011
Salaries	\$ 121,685	\$ 34,026	\$ 78,987	\$ 234,698	\$ 234,054
Employee benefits	13,798	3,909	9,885	27,592	22,970
Payroll taxes	10,040	2,808	6,518	19,366	19,044
TOTAL PAYROLL AND RELATED BENEFITS	145,523	40,743	95,390	281,656	276,068
Advertising	-	-	3,845	3,845	5,493
Auto expense	4,413	-	779	5,192	2,566
Banking fees	-	-	3,784	3,784	3,426
Collection care	10,463	-	-	10,463	1,380
Conferences and meeting expense	-	-	2,248	2,248	3,405
Dues and subscriptions	-	-	3,298	3,298	3,114
Educational expenses	9,589	-	-	9,589	36,860
Employee welfare	-	-	208	208	400
Equipment purchases	-	-	3,430	3,430	2,467
Equipment rental	-	-	9,039	9,039	7,316
Exhibitions	43,633	-	-	43,633	32,881
Grant expenditures	28,263	-	-	28,263	47,830
Insurance	593	166	9,671	10,430	9,202
Investment fees	-	-	1,927	1,927	683
Licenses and permits	345	-	115	460	750
Membership expense	-	518	-	518	5,184
Miscellaneous expenses	-	-	9,553	9,553	6,114
Office supplies	-	-	4,334	4,334	5,484
Outside services	87,936	3,000	16,329	107,265	54,863
Postage	11,469	1,911	5,735	19,115	11,177
Printing and publishing	20,895	3,483	10,447	34,825	45,445
Professional fees	-	-	6,350	6,350	11,595
Repairs and maintenance	-	-	53,387	53,387	28,594
Special events	23,775	-	-	23,775	15,179
Supplies	-	-	6	6	3,154
Taxes	624	-	224	848	748
Telephone	-	-	4,956	4,956	4,776
Travel and entertainment	6,483	-	1,144	7,627	5,484
Utilities	55,690	4,870	29,626	90,186	89,282
TOTAL EXPENSES BEFORE DEPRECIATION	449,694	54,691	275,825	780,210	720,920
Depreciation	71,234	6,229	37,896	115,359	107,433
TOTAL EXPENSES	\$ 520,928	\$ 60,920	\$ 313,721	\$ 895,569	\$ 828,353

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

MASSILLON MUSEUM
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2012 and 2011

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2012</u>	<u>2011</u>
Increase (decrease) in net assets	\$ (76,329)	\$ 86,981
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	115,359	107,433
Realized (gain) loss on sale of investments and beneficial interest	1,471	(2,682)
Unrealized (gain) loss on investments and beneficial interest	(19,411)	10,303
(Increase) decrease in accounts receivable	2	(383)
Increase in government appropriations tax receivable	(14,500)	(50,000)
(Increase) decrease in inventory - museum shop	1,391	(622)
(Increase) decrease in prepaid expenses	(345)	3,821
Decrease in accounts payable	(5,387)	(7,680)
Increase (decrease) in accrued payroll and related liabilities	(3,605)	5,481
	<u>(1,354)</u>	<u>152,652</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(4,928)	(172,639)
Purchases of investments - net	(12,911)	(22,721)
	<u>(17,839)</u>	<u>(195,360)</u>
NET CASH USED BY INVESTING ACTIVITIES		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,193)	(42,708)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>362,996</u>	<u>405,704</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 343,803</u>	<u>\$ 362,996</u>

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

MASSILLON MUSEUM
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Massillon Museum (the Museum), an Ohio not-for-profit corporation, engages in the traditional museum functions of collecting, exhibiting, conserving, and educating. The Museum collects and exhibits local and regional art, including local historical artifacts.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking and savings accounts.

INVESTMENTS

As required by the Accounting for Certain Investments Held by Not-for-Profit Organizations topic of FASB ASC, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

BENEFICIAL INTEREST IN ASSETS HELD BY STARK COMMUNITY FOUNDATION

The Museum carries the beneficial interest in assets held by Stark Community Foundation at fair market value. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

INVENTORY

Inventory is stated at the lower of cost or market using the average cost method, which approximates the first-in, first-out (FIFO) method.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed for financial statement purposes principally on the straight-line method over the estimated useful lives of the related assets. The Museum capitalizes all property and equipment with a cost of \$500 or more.

Expenditures for major renewals and betterments which extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

MASSILLON MUSEUM
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

COLLECTION ITEMS

In accordance with the Accounting for Contributions Received and Contributions Made topic of the FASB ASC, the Museum does not capitalize donated or purchased collections. Such donations and acquisitions need not be recognized since they are added to collections that are held for public exhibition, education, and research in furtherance of public service rather than financial gain; are protected, kept unencumbered, cared for, and preserved; and are subject to a policy that requires the proceeds from sales of deaccessioned collection items to be used to acquire other items for collections.

FEDERAL INCOME TAXES

The Museum qualifies under Section 501(c)(3) of the Internal Revenue Code as an organization exempt from Federal income taxes.

UNCERTAIN TAX POSITIONS

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires the Museum to report information regarding its exposure to various tax positions taken by the Museum. The Museum has determined whether any tax positions have met the recognition threshold and has measured the Museum's exposure to those tax positions. Management believes that the Museum has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Museum would be recorded in operating expenses. No interest or penalties from Federal or state tax authorities were recorded in the accompanying financial statements.

CONCENTRATION OF CREDIT RISK

On December 31, 2010, the Federal Deposit Insurance Corporation (FDIC) established the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) under which all non-interest bearing transactions accounts are fully guaranteed by the FDIC for the entire amount in the account for all participating banks. This program will remain in effect until December 31, 2012. For both years ending December 31, 2012 and 2011, the Museum's non-interest bearing accounts were fully insured.

The Museum also maintains interest bearing accounts with cash balances less than \$250,000 in certain financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2012 and 2011, the Museum's interest bearing accounts were fully insured.

FINANCIAL STATEMENT PRESENTATION

As required by the Financial Statements of Not-for-Profit Organizations topic of FASB ASC, the Museum is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Museum is required to present a statement of cash flow.

MASSILLON MUSEUM
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

CONTRIBUTIONS

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

DONATED SERVICES

A large number of people have contributed significant amounts of time to the activities and administration of the Museum without compensation. The financial statements do not reflect the value of those contributed services because, although clearly substantial, no reliable basis exists for determining an appropriate amount.

FUNCTIONAL EXPENSES

Expenses are charged directly to program, fundraising or management in general categories based on specific identification. Indirect expenses have been allocated based on management judgment.

ADVERTISING

The Museum participated in various advertising and marketing programs. All costs related to marketing and advertising the Museum's products are expensed in the period incurred. Advertising costs charged to operations were \$3,845 and \$5,493 in 2012 and 2011, respectively.

SUMMARIZED PRIOR YEAR COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

MASSILLON MUSEUM
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE B – INVESTMENTS

Investments are stated at fair value and are as follows:

	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
<u>December 31, 2012</u>	<u>\$218,564</u>	<u>\$234,857</u>	<u>\$16,293</u>
<u>December 31, 2011</u>	<u>\$206,902</u>	<u>\$208,465</u>	<u>\$1,563</u>

NOTE C – BENEFICIAL INTEREST IN ASSET OF STARK COMMUNITY FOUNDATION

The Museum placed certain funds with the Stark Community Foundation (Foundation), Community trust established to administer gifts or bequests for public charitable uses. The Museum specified that the Foundation is to distribute the income from this fund, after payment of expenses, to the Museum to be used in their operations. The principal may be obtained for use by the Museum upon approval of the Foundation's board.

The fair value of investments held in trust by the Foundation for the benefit of the Museum was \$48,734 and \$44,275 at December 31, 2012 and 2011, respectively.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment are summarized by major classifications as follows:

	<u>2012</u>	<u>2011</u>
Land	\$ 7,093	\$ 7,093
Building	2,128,108	2,128,108
Building improvements	1,020,498	1,015,571
Furniture and equipment	<u>180,314</u>	<u>180,314</u>
	3,336,013	3,331,086
Less accumulated depreciation	<u>1,143,654</u>	<u>1,028,296</u>
	<u>\$2,192,359</u>	<u>\$2,302,790</u>

MASSILLON MUSEUM
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE E – RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2012</u>	<u>2011</u>
Jean Baptiste Massillon project	\$ 89,049	\$ 91,253
Stark Community Foundation income account	3,386	3,013
Jennings Foundation - Artful Living	0	1,023
Aultman Foundation - Artful Living	0	3,152
Flowers Foundation – Busing of students	4,390	4,858
J.W. Mahoney Foundation – Archives/Storage fund	3,000	3,000
Eagles #190 Educational Programs	4,960	0
Warhol Exhibit	6,573	0
Target Educational Outreach	2,000	0
Other	<u>2,560</u>	<u>0</u>
	<u>\$115,918</u>	<u>\$106,299</u>

Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income from which is expendable to support program services. These consist of:

	<u>2012</u>	<u>2011</u>
Stark Community Foundation – principal account	\$ 45,348	\$ 41,261
GAR Fund	44,003	44,003
Other	<u>12,048</u>	<u>12,048</u>
	<u>\$101,399</u>	<u>\$ 97,312</u>

NOTE F – GOVERNMENT APPROPRIATIONS TAX

The taxing authority of the Council of the City of Massillon, Stark County, Ohio certifies a copy of Council’s resolution requesting the Stark County Auditor to certify to the City of Massillon the total current tax valuation of the subdivision and the amount of revenue that would be provided by one mill, to levy a tax outside the ten mill limitation for the purpose of providing a free Museum of Art and History that is maintained and operated by a private, not-for-profit organization as authorized by the Ohio Revised Code Section 5705.19(AA). If the tax levy collection drops, it would have a significant effect on the Museum’s activities.

MASSILLON MUSEUM
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE G – EMPLOYEE BENEFIT PLAN

The Museum has a SIMPLE IRA retirement plan covering all eligible employees. Employees may contribute a percentage of compensation, but not in excess of the maximum allowed under the Internal Revenue Code. The plan provides for a matching contribution by the Museum up to 3%, at the discretion of the board of directors. The Museum's contributions to the plan for 2012 and 2011 amounted to \$5,964 and \$5,596, respectively.

NOTE H – COMMITMENTS AND CONTINGENT LIABILITIES

LINE-OF-CREDIT

The Museum had an available line-of-credit of \$100,000 with a bank at December 31, 2012. At December 31, 2012 and 2011, there was no outstanding balance. The line-of-credit is secured by property and bears interest at the bank's prime rate.

OPERATING LEASE

The Museum leased a copier under a sixty-three month non-cancelable agreement which expires in June of 2017. The following is a schedule of future minimum lease payments required under the above operating lease as of December 31:

2013	\$ 6,469
2014	6,469
2015	6,469
2016	6,469
2017	<u>3,235</u>
	<u>\$29,111</u>

Total rent expense for the copier was \$4,852 and \$5,434 for 2012 and 2011, respectively.

MASSILLON MUSEUM
NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE I – FAIR VALUE MEASUREMENT

The Museum uses various inputs in determining the fair value of its investments and measures these assets on a recurring basis. Financial assets recorded at fair value in the statements of financial condition are categorized by the level of objectivity associated with the inputs used to measure their fair value. Authoritative guidance provided by the FASB defines the following levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these financial assets.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)

Level 3 – significant unobservable inputs (including the Museum’s own assumptions in determining the fair value of investments)

The inputs of methodology used for valuing securities are not necessarily an indication of the credit risk associated with investing in those securities. The following table provides the fair value measurements of applicable Museum financial assets that are measured at fair value on a recurring basis according to the fair value levels defined by authoritative guidance from the Financial Accounting Standards Board:

Financial Assets at Fair Value as of December 31, 2012

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short-term investments	<u>\$234,857</u>	<u>\$ _____</u>	<u>\$ _____</u>
Total investments	<u>\$234,857</u>	<u>\$ 0</u>	<u>\$ 0</u>

There were no unrealized gains or losses included in earnings resulting from long-term investments associated with Level 3 financial assets during the year December 31, 2012.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Massillon Museum
Stark County
121 Lincoln Way E.
Massillon, Ohio 44646

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Massillon Museum (a not-for-profit corporation), Stark County, (the Museum) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Museum's financial statements and have issued our report thereon dated September 30, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Museum's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Museum's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Museum's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Museum's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Museum's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Museum's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

September 30, 2013



Dave Yost • Auditor of State

MASSILLON MUSEUM

STARK 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
NOVEMBER 21, 2013**