

MASSILLON MUSEUM

AUDITED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS

December 31, 2009 and 2008



Mary Taylor, CPA
Auditor of State

Board of Directors
Massillon Museum
121 Lincoln Way East
Massillon, Ohio 44646

We have reviewed the *Independent Auditor's Report* of the Massillon Museum, Stark County, prepared by Smith, Barta & Company, for the audit period January 1, 2009 through December 31, 2009. 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 Massillon Museum is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 17, 2010

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Smith Barta & Company

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Directors
Massillon Museum
Massillon, Ohio

We have audited the accompanying statement of financial position of Massillon Museum (a not-for-profit corporation) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Museum's 2008 financial statements, and in our report dated November 23, 2009, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Massillon Museum as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2010, on our consideration of Massillon Museum's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide and 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, and should be read in conjunction with this report in considering the results of our audit.

Smith, Barta & Company
Certified Public Accountants

October 14, 2010

Canton, Ohio

MASSILLON MUSEUM
STATEMENTS OF FINANCIAL POSITION

December 31, 2009 and 2008

ASSETS

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 442,599	\$ 226,210
Investments - at fair value - NOTE B	179,843	160,253
Beneficial interest in assets of Stark Community Foundation - NOTE C	40,696	34,584
Accounts receivable	755	1,206
Government appropriations tax receivable - NOTE F	365,500	315,500
Inventory - museum shop	8,743	8,161
Collections	1,925	1,925
Property and equipment - NOTE D	1,696,647	1,567,837
Prepaid expenses	19,057	14,179
Other assets	97	97
TOTAL ASSETS	<u>\$ 2,755,862</u>	<u>\$ 2,329,952</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Line of Credit - NOTE H	\$ -	\$ 20,200
Accounts payable	88,104	11,951
Accrued payroll and related liabilities	17,157	25,673
Commitments and contingent liabilities - NOTE H	-	-
TOTAL LIABILITIES	<u>105,261</u>	<u>57,824</u>

NET ASSETS

Unrestricted	2,408,286	2,083,715
Temporarily restricted - NOTE E	147,507	99,133
Permanently restricted - NOTE E	94,808	89,280
TOTAL NET ASSETS	<u>2,650,601</u>	<u>2,272,128</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,755,862</u>	<u>\$ 2,329,952</u>

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

MASSILLON MUSEUM

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2009 with Comparative totals for 2008

<u>REVENUES, GAINS AND OTHER SUPPORT</u>	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>
Contributions	\$ 17,771	\$ -
Government appropriation tax - NOTE F	662,288	-
In-kind contributions	-	-
Grants	51,641	120,000
Exhibitions	4,216	1,167
Membership of museum	14,310	-
Museum shop sales:		
Gross profit	18,467	-
Less cost of sales	(12,503)	-
Program and other fees	32,824	-
Fundraisers (revenue of \$14,519 and \$8,454 net of direct costs of \$13,012 and \$12,959 in 2009 and 2008, respectively)	1,507	-
Interest and dividends	5,898	-
Realized gain (loss) on sale of investments and beneficial interest	(18,155)	-
Unrealized gain (loss) on investments and beneficial interest	43,114	-
Miscellaneous	1,470	-
Lease income	3,000	-
Net assets released from restrictions:		
Satisfaction of donor or program restrictions	72,793	(72,793)
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>898,641</u>	<u>48,374</u>
 <u>EXPENSES</u>		
Collection purchases	1,524	-
Program services	323,602	-
Fundraising	29,955	-
Management and general	218,989	-
TOTAL EXPENSES	<u>574,070</u>	<u>-</u>
 INCREASE (DECREASE) IN NET ASSETS	 324,571	 48,374
 NET ASSETS AT BEGINNING OF YEAR	 <u>2,083,715</u>	 <u>99,133</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 2,408,286</u>	 <u>\$ 147,507</u>

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

PERMANENTLY RESTRICTED	TOTAL	
	2009	2008
\$ -	\$ 17,771	\$ 19,586
-	662,288	325,166
-	-	1,878
-	171,641	56,414
-	5,383	18,358
-	14,310	18,440
-	18,467	9,630
-	(12,503)	(5,617)
-	32,824	17,327
-	1,507	(4,505)
-	5,898	9,119
-	(18,155)	8,903
5,528	48,642	(73,577)
-	1,470	3,249
-	3,000	-
-	-	-
<u>5,528</u>	<u>952,543</u>	<u>404,371</u>
-	1,524	10,013
-	323,602	229,536
-	29,955	38,053
-	218,989	194,021
-	<u>574,070</u>	<u>471,623</u>
5,528	378,473	(67,252)
<u>89,280</u>	<u>2,272,128</u>	<u>2,339,380</u>
<u>\$ 94,808</u>	<u>\$ 2,650,601</u>	<u>\$ 2,272,128</u>

MASSILLON MUSEUM

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2009 with Comparative totals for 2008

	PROGRAM SERVICES	FUNDRAISING	MANAGEMENT AND GENERAL	TOTAL	
				2009	2008
Salaries	\$ 85,806	\$ 15,337	\$ 73,028	\$ 174,171	\$ 146,101
Employee benefits	9,178	432	2,716	12,326	8,432
Payroll taxes	7,452	1,332	6,343	15,127	13,385
TOTAL PAYROLL AND RELATED BENEFITS	102,436	17,101	82,087	201,624	167,918
Advertising	-	-	3,869	3,869	4,322
Auto expense	-	-	2,738	2,738	856
Banking fees	-	-	4,303	4,303	3,219
Collection care	3,079	-	22	3,101	1,739
Conferences and meeting expense	-	-	7,902	7,902	2,035
Dues and subscriptions	-	-	3,285	3,285	1,988
Educational expenses	7,603	-	-	7,603	3,127
Employee welfare	-	-	260	260	470
Equipment purchases	683	-	-	683	1,299
Equipment rental	-	-	4,401	4,401	3,323
Exhibitions	21,893	-	-	21,893	27,303
Grant expenditures	33,672	-	-	33,672	1,225
Insurance	256	46	8,580	8,882	10,186
Investment fees	-	-	705	705	2,145
Licenses and permits	-	-	20	20	-
Miscellaneous expense	1,210	100	3,120	4,430	2,962
Office supplies	-	-	9,196	9,196	6,169
Outside services	32,634	7,169	14,056	53,859	39,531
Postage	7,138	1,190	3,569	11,897	11,134
Printing and publishing	10,484	1,747	5,242	17,473	27,753
Professional fees	-	-	7,413	7,413	5,137
Repairs and maintenance	4,441	-	18,453	22,894	9,163
Special events	7,806	2,602	-	10,408	3,539
Supplies	-	-	2,799	2,799	1,325
Taxes	1,062	-	224	1,286	379
Telephone	-	-	3,546	3,546	3,519
Travel and entertainment	523	-	3,639	4,162	4,749
Utilities	42,460	-	14,153	56,613	52,349
TOTAL EXPENSES BEFORE DEPRECIATION	277,380	29,955	203,582	510,917	398,864
Depreciation	46,222	-	15,407	61,629	62,746
TOTAL EXPENSES	\$ 323,602	\$ 29,955	\$ 218,989	\$ 572,546	\$ 461,610

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

MASSILLON MUSEUM

STATEMENTS OF CASH FLOWS

Year Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (decrease) in net assets	\$ 378,473	\$ (67,252)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	61,629	62,746
Realized (gain) loss on sale of investments and beneficial interest	18,155	(8,903)
Unrealized (gain) loss on investments and beneficial interest	(48,642)	73,577
Decrease in accounts receivable	451	1,549
Increase in government appropriations receivable	(50,000)	(10,500)
Increase in inventory - museum shop	(582)	(6,181)
Increase in prepaid expenses	(4,878)	(6,639)
Increase (decrease) in accounts payable	76,153	(2,782)
Increase (decrease) in accrued payroll and related liabilities	(8,516)	3,436
	<u>422,243</u>	<u>39,051</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(190,439)	-
Proceeds (purchases) of investments - net	4,785	(4,218)
	<u>(185,654)</u>	<u>(4,218)</u>
<u>NET CASH USED BY INVESTING ACTIVITIES</u>		
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net increase (decrease) in line-of-credit	(20,200)	20,200
	<u>(20,200)</u>	<u>20,200</u>
<u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>		
	216,389	55,033
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>		
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	226,210	171,177
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 442,599</u>	<u>\$ 226,210</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during the year for:		
Interest	\$ 513	\$ 1,099

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

MASSILLON MUSEUM

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

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.

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 statement 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 statement 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.

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.

MASSILLON MUSEUM

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

UNCERTAIN TAX POSITIONS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 have 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 are 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

In October, the Federal Deposit Insurance Corporation (FDIC) established the Transaction Account Guarantee Program (TAGP) under which, all non-interest bearing transaction 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 June 30, 2010. For both years ending December 31, 2009 and 2008, the Museum's non-interest bearing accounts were fully insured.

The Museum also maintains interest bearing accounts with cash balances in excess of \$250,000 in certain financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2009 and 2008 the uninsured cash balances totaled \$134,790 and \$0, respectively.

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 flows.

In June 2009, the FASB approved the "FASB Accounting Standards Codification" (the Codification) as the single source of authoritative nongovernmental U.S. GAAP to be launched on July 1, 2009. The Codification does not change current U.S. GAAP, but is intended to simplify user access to authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all accounting literature not included in the Codification will be considered non authoritative. The Codification is effective for the Museum's financial statements issued beginning in the quarter ending September 30, 2009.

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 statement of activities as net assets released from restrictions.

MASSILLON MUSEUM

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 participates 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 \$3,869 and \$4,322 in 2009 and 2008, respectively.

RECLASSIFICATION

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

SUBSEQUENT EVENT

Subsequent events have been evaluated through October 14, 2010, which is the date the financial statements were available to be issued

NOTE B - INVESTMENTS

Investments are stated at fair value and are as follows:

	December 31, 2009		
	Amortized Cost	Fair Value	Unrealized Gain/(Loss)
Cash and cash equivalents - restricted	\$ 15,553	\$ 15,553	\$ -
Certificate of deposit	13,130	13,130	-
Equities	83,176	83,324	148
Mutual funds	78,510	67,836	(10,674)
	<u>\$ 190,369</u>	<u>\$ 179,843</u>	<u>\$ (10,526)</u>
	December 31, 2008		
	Amortized Cost	Fair Value	Unrealized Loss
Cash and cash equivalents - restricted	\$ 17,520	\$ 17,520	\$ -
Certificate of deposit	13,033	13,033	-
Equities	138,327	80,363	(57,964)
Mutual funds	50,588	49,337	(1,251)
	<u>\$ 219,468</u>	<u>\$ 160,253</u>	<u>\$ (59,215)</u>

MASSILLON MUSEUM

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE C - BENEFICIAL INTEREST IN ASSETS OF STARK COMMUNITY FOUNDATION

The Museum placed certain funds with the Stark Community Foundation (Foundation), a 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 \$40,696 and \$34,584 at December 31, 2009 and 2008, respectively.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment are summarized by major classifications as follows:

	2009	2008
Land	\$ 7,093	\$ 7,093
Building	2,128,108	2,128,108
Building improvements	229,543	54,681
Furniture and equipment	165,866	150,291
	<u>2,530,610</u>	<u>2,340,173</u>
Less accumulated depreciation	833,963	772,336
	<u>\$ 1,696,647</u>	<u>\$ 1,567,837</u>

NOTE E - RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following purposes:

	2009	2008
Jean Baptist Massillon project	\$ 97,676	\$ 98,362
Stark Community Foundation income account	1,938	771
Hoover Foundation	5,000	-
IMLS Grant	40,000	-
NEA Modernism	2,893	-
	<u>\$ 147,507</u>	<u>\$ 99,133</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:

	2009	2008
Stark Community Foundation - principal	\$ 38,757	\$ 33,229
GAR Fund	44,003	44,003
Other	12,048	12,048
	<u>\$ 94,808</u>	<u>\$ 89,280</u>

MASSILLON MUSEUM

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

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 5709.19(A)(A). If the tax levy collection drops, it would have a significant effect on the Museum's activities.

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. Total contributions for 2009 and 2008, amounted to \$4,585 and \$3,541, respectively.

NOTE H - COMMITMENTS AND CONTINGENT LIABILITIES

LINE-OF-CREDIT

The Museum has an available line-of-credit of \$100,000 with a bank at December 31, 2009. Total outstanding amounts at December 31, 2009 and 2008 were \$0 and \$20,200, respectively. The line-of-credit is secured by property and bears interest at the bank's prime rate.

OPERATING LEASE

The Museum leases a copier under a sixty-three month non-cancelable agreement expiring in 2011. The following is a schedule of future minimum rental payments required under the above operating lease as of December 31:

2010	\$	3,204
2011		534
	\$	<u>3,738</u>

Total rent expense for the copier was \$3,204 for both years ended December 31, 2009 and 2008.

MAJOR IMPROVEMENTS

The Museum has committed to various contractors to renovate and design the third floor of their facility for storage of their collections. The total project is expected to cost approximately \$900,000 of which \$174,862 has already been expensed. Total grants expected to be received for this project amount to \$645,000.

OTHER REPORTS



Smith Barta & Company

CERTIFIED PUBLIC ACCOUNTANTS
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Massillon Museum
Massillon, Ohio

We have audited the financial statements of Massillon Museum as of and for the year ended December 31, 2009, and have issued our report thereon dated October 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Museum's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraphs and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered material weakness, as defined above.

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

Smith, Barta & Company
Certified Public Accountants

October 14, 2010

Canton, Ohio



Mary Taylor, CPA
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
JANUARY 4, 2011**