



Dave Yost • Auditor of State

**COMMUNITY PROGRAMMING BOARD REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Community Programming Board Regional Council of Governments
Hamilton County
2086 Waycross Road
Forest Park, Ohio 45240

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Programming Board Regional Council of Governments, Hamilton County, Ohio (the Board), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic 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 Board'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 Board's internal control. Accordingly, we express no such 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 overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Programming Board Regional Council of Governments, Hamilton County as of December 31, 2014, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2016, on our consideration of the Board'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 Board's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

October 3, 2016

**Community Programming Board
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)**

Management's Discussion and Analysis

The discussion and analysis of Community Programming Board's (the Board) financial performance provides an overall review of the financial activities for the fiscal year ended December 31, 2014. The intent of this discussion and analysis is to look at the Board's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Board's financial performance.

Financial Highlights

- Total net position was \$1,144,379 in fiscal year 2014, a decrease of \$24,622 from the previous year.
- Total assets were \$1,194,354 in fiscal year 2014.
- The operating revenue for fiscal year 2014 was \$413,393 and the operating expenses for fiscal year 2014 were \$434,440.

Using this Annual Financial Report

This financial report contains the basic financial statements of the Board, as well as the management's discussion and analysis and notes to the basic financial statements. The basic financial statements include a statement of net position, statement of revenues, expenses and changes in net position, and a statement of cash flows. As the Board reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity-wide and the fund presentation are the same.

Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net position

The statement of net position and the statement of revenues, expenses and changes in net position answer the question, "How did we do financially during the fiscal year?" The statement of net position includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

The statement of revenues, expenses and changes in net position reports the changes in net position. This change in net position is important because it tells the reader that, for the Board as a whole, the financial position of the Board has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

These statements report the Board's net position, however, in evaluating the overall position and financial viability of the Board, non-financial information such as the condition of the Board's building and potential changes in the laws governing council of governments in the State of Ohio will also need to be evaluated.

**Community Programming Board
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)**

The Board as a Whole

As stated previously, the statement of net position provides the perspective of the Board as a whole. Table 1 provides a summary of the Board's net position for 2014.

**Table 1
Net Position**

	Governmental Activities	
	2014	2013
Assets:		
Current and Other Assets	\$965,574	\$948,070
Capital Assets, Net	228,780	263,776
Total Assets	<u>1,194,354</u>	<u>1,211,846</u>
Liabilities:		
Other Liabilities	4,718	0
Long-Term Liabilities	45,257	42,845
Total Liabilities	<u>49,975</u>	<u>42,845</u>
Net Position:		
Net Investment in Capital Assets	228,780	263,776
Unrestricted	915,599	905,225
Total Net Position	<u><u>\$1,144,379</u></u>	<u><u>\$1,169,001</u></u>

Net Capital Assets decreased mainly due to current year depreciation expense exceeding current year additions. Other Liabilities increased mainly due to an increase in accrued wages and benefits.

Total net position of the Board was \$1,144,379.

Table 2 shows the changes in net position for the fiscal year ended December 31, 2014. Since this is the first year the Board has prepared financial statements on the GAAP basis, revenue and expense comparisons to the prior year are not available. In future years, when prior year information is available, a comparative analysis of government wide data will be presented.

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**Community Programming Board
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014
(Unaudited)**

**Table 2
Changes in Net Position**

	<u>Change in Net Position 2014</u>
Operating Revenues:	
Charges for Services	\$412,273
Other Revenues	<u>1,120</u>
Total Operating Revenues	<u>413,393</u>
Operating Expenses:	
Personnel Services	278,209
Contractual Services	105,013
Materials and Supplies	11,402
Depreciation	34,139
Other	<u>5,677</u>
Total Operating Expenses	<u>434,440</u>
Operating Income (Loss)	<u>(21,047)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>(3,575)</u>
Total Non-Operating Revenues (Expenses)	<u>(3,575)</u>
Change in Net Position	(24,622)
Net Position - Beginning of Year	<u>1,169,001</u>
Net Position - End of Year	<u>\$1,144,379</u>

Capital Assets

At December 31, 2014, the Board had \$228,780 in net capital assets.

Debt

At December 31, 2014, the Board did not have any outstanding debt obligations.

Contacting the Board

This financial report is designed to provide our citizens, investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it. If you have any questions about this report or need additional financial information, contact Chip Bergquist, Executive Director, at the Community Programming Board, 2086 Waycross Road, Forest Park, OH 45240.

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Community Programming Board
Statement of Net Position
December 31, 2014

Assets:	
Current Assets:	
Equity in Pooled Cash and Investments	\$899,217
Receivables:	
Franchise Fee	<u>66,357</u>
Total Current Assets	<u>965,574</u>
Noncurrent Assets:	
Nondepreciable Capital Assets	75,164
Depreciable Capital Assets, Net	<u>153,616</u>
Total Noncurrent Assets	<u>228,780</u>
Total Assets	<u>1,194,354</u>
Liabilities:	
Current Liabilities:	
Accrued Wages and Benefits	<u>4,718</u>
Total Current Liabilities	<u>4,718</u>
Long-Term Liabilities:	
Compensated Absences	<u>45,257</u>
Total Liabilities	<u>49,975</u>
Net Position:	
Net Investment in Capital Assets	228,780
Unrestricted	<u>915,599</u>
Total Net Position	<u>\$1,144,379</u>

See accompanying notes to the basic financial statements.

Community Programming Board
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended December 31, 2014

Operating Revenues:	
Charges for Services	\$412,273
Other Operating Revenues	<u>1,120</u>
Total Operating Revenues	<u>413,393</u>
Operating Expenses:	
Personnel Services	278,209
Contractual Services	105,013
Materials and Supplies	11,402
Depreciation	34,139
Other	<u>5,677</u>
Total Operating Expenses	<u>434,440</u>
Operating Income (Loss)	<u>(21,047)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>(3,575)</u>
Total Non-Operating Revenues (Expenses)	<u>(3,575)</u>
Change in Net Position	(24,622)
Net Position - Beginning of Year	<u>1,169,001</u>
Net Position - End of Year	<u><u>\$1,144,379</u></u>

See accompanying notes to the basic financial statements.

Community Programming Board
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2014

Cash Flows from Operating Activities:	
Cash Received from Contractual Services and Franchise Fees	\$406,033
Other Operating Cash Receipts	1,120
Cash Payments to Employees for Salaries and Benefits	(271,079)
Cash Payments to Contractual Services	(104,156)
Cash Payments for Materials, Supplies and Other Services	(11,402)
Cash Payments for Other Expenses	<u>(6,534)</u>
Net Cash Provided (Used) by Operating Activities	<u>13,982</u>
Cash Flows from Investing Activities:	
(Loss) on Investments	(3,575)
Other	<u>857</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>(2,718)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,264
Cash and Cash Equivalents - Beginning of Year	<u>887,953</u>
Cash and Cash Equivalents - End of Year	<u><u>899,217</u></u>
Reconciliation of Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(21,047)
Adjustments:	
Depreciation	34,139
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	(6,240)
(Increase) Decrease in Accrued Liabilities	<u>7,130</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$13,982</u></u>

See accompanying notes to the basic financial statements.

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**Community Programming Board
Notes to the Basic Financial Statements
For The Years Ended December 31, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Community Programming Board Regional Council of Governments was formed in 2014 by the City of Forest Park and the Village of Greenhills. Prior to 2014, the Board operated as a jointly governed operating board among the City of Forest Park, Village of Greenhills and Springfield Township that was formed during 1982. The jointly governed organization was formed for the purpose of providing community programming and cable regulatory services for their citizens. The Board of Directors is comprised of a chairman and ten individuals drawn from local residents of the two communities. Each community has five members on the Board (the chairman is not a resident of any of the communities). The degree of control exercised by any participating city or township is limited to its representation by their citizens. Elected officials of the two communities appoint individuals to serve on the Community Programming Board of Directors – one appointed member from each community must be an elected council person. The Board of Directors' responsibilities include establishment and review of programming policies, resolution of policy disputes and questions of equal treatment for access users, fiscal controls and the creation and promotion of the media center and Community Access channels. In addition, the Community Programming Board coordinates regulatory efforts for member communities and provides expertise on other matters regarding the local cable system(s) and other forms of electronic communications.

The Community Programming Board Regional Council of Governments is not locked into services for these two entities alone. Communities may leave the joint effort or other communities could join. The CPBRCOG also provides services to Colerain Township and Springfield Township via Memorandums of Understanding between the board and these local governments.

The Communities involved have directed Time Warner Cable and Cincinnati Bell Fioptics Cable to pay the Community Programming Board for the use of the streets and other facilities in the operation of the Cable Television System a sum equal to five percent of the Gross Revenues for each and every quarter year, pursuant to the state Video Service Provider law.

It should be noted that the franchise costs are obligations of the cable companies, but are collected from subscribers via a separate line item on their cable bills. The fees are paid by Time Warner Cable and Cincinnati Bell Fioptics Cable and they have been directed by the two participating communities to pay these franchise fees (which would otherwise go to the participating communities) to the Community Programming Board.

The City of Forest Park serves as the fiscal agent for the Community Programming Board Regional Council of Governments.

Basis of Accounting

The Board uses the accrual basis of accounting to prepare its financial statements and maintains subsidiary ledgers to identify revenues and expenses by detailed program. Activities not specifically related to a program are classified as general and administrative transactions. The Statement of Revenues, Expenses and Changes in Net Position reflects activities by major program category.

**Community Programming Board
Notes to the Basic Financial Statements
For The Years Ended December 31, 2014**

Capital Assets

Capital assets with a cost of \$1,000 or greater are capitalized at cost and are depreciated on the straight-line method over the asset's estimated useful life. The Board's capital assets consist primarily of office furniture, computers, television production equipment and vehicles. The Board depreciates office furniture and equipment over a ten year period with one-half year depreciation taken in the year of purchase and disposal. Computers are depreciated over a three year period beginning in the month of purchase. Video production equipment is depreciated over a seven year period.

Income Taxes

The Board is exempt from federal income taxes as a Council of Governments, political subdivision of the State of Ohio.

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS

Statutes authorize the Board to invest in obligations of the U.S. Treasury and U.S. agencies, the State Treasurer's (Ohio) investment pool, repurchase agreements, certificates of deposit, and other instruments authorized by Section 135 of the Ohio Revised Code.

Custodial credit risk is the risk that in the event of a bank failure the Board's deposits may not be returned. Protection of the Board's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well as qualified securities pledges by the institutions holding the assets. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the Board places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by FDIC. The securities pledged as collateral are pledged to a pool for each individual financial institution in amount equal to at least 105 percent of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligation of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. At December 31, 2014, the carrying amount of the Board's deposits was \$899,917 and the bank balance was \$905,832. FDIC insurance covered \$746,188 of the bank balance. The remaining balance of \$159,644 was uninsured and collateralized with securities held by the pledging financial institution's trust department.

For purposes of the Statement of Cash Flows, the Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

NOTE 3 – FRANCHISE FEES RECEIVABLE

The franchise fees are received from two major franchisee's. Per the franchise agreement with the cable company providing services in the area, the participating communities receive five percent (5%) of the franchisee's gross receipts, which is allocated to fund the Board. The Board recognizes receipts when received.

**Community Programming Board
Notes to the Basic Financial Statements
For The Years Ended December 31, 2014**

NOTE 4 – CAPITAL ASSETS

Changes in capital assets for the year that ended December 31, 2014 are summarized below:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Historical Cost:				
Land	\$75,164	\$0	\$0	\$75,164
Building and Improvements	309,836	0	0	309,836
Equipment	1,200,505	0	(16,320)	1,184,185
Totals at Historical Cost	<u>1,585,505</u>	<u>0</u>	<u>(16,320)</u>	<u>1,569,185</u>
Less Accumulated Depreciation:				
Buildings and Improvements	175,574	10,328	0	185,902
Equipment	1,146,155	23,811	(15,463)	1,154,503
Total Accumulated Depreciation	<u>1,321,729</u>	<u>34,139</u>	<u>(15,463)</u>	<u>1,340,405</u>
Capital Assets, Net	<u>\$263,776</u>	<u>(\$34,139)</u>	<u>(\$857)</u>	<u>\$228,780</u>

NOTE 5 – RISK MANAGEMENT

Commercial Insurance

The Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions
- Broadcast Liability
- Directors and Officers

NOTE 6 – COMPENSATED ABSENCES

Changes in compensated absences for the year that ended December 31, 2014 are summarized below:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$42,845	\$2,412	\$0	\$45,257	\$0

NOTE 7 – RETIREMENT SYSTEMS

The Board's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include post-retirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For 2014, 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Board contributed an amount equaling 14% of participants' gross salaries. The Board's

**Community Programming Board
Notes to the Basic Financial Statements
For The Years Ended December 31, 2014**

OPERS contributions, employer portion, for pension obligations totaled \$27,426, \$29,089 and \$29,179 for 2014, 2013 and 2012 respectively.

NOTE 8 – CONTINGENT LIABILITIES

Project work performed under grants and contracts is subject to final acceptance by the grantor and contracting agencies. Costs claimed for work performed under grants and contracts which are not acceptable to the grantor or contracting agency may be subject to recovery by the grantor or contracting agency. The management of the Board believes that project work has been satisfactorily performed.



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*

Community Programming Board Regional Council of Governments
Hamilton County
2086 Waycross Road
Forest Park, Ohio 45240

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 Community Programming Board Regional Council of Governments, Hamilton County, (the Board) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated October 3, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board'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 Board'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 Board'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 Board'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 Board's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board'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 initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

October 3, 2016



Dave Yost • Auditor of State

COMMUNITY PROGRAMMING BOARD – REGIONAL COUNCIL OF GOVERNMENTS

HAMILTON 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 10, 2016**