

**Community Programming Board**  
**Regional Council of Governments**



**Basic Financial Statements**

**December 31, 2017**





# Dave Yost • Auditor of State

Board of Trustees  
Community Programming Board Regional Council of Governments  
2086 Waycross  
Forest Park, Ohio 45240

We have reviewed the *Independent Auditor's Report* of the Community Programming Board Regional Council of Governments, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2017 through December 31, 2017. 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 Community Programming Board Regional Council of Governments is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

June 11, 2018

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Community Programming Board Regional Council of Governments

### Report on the Financial Statements

We have audited the accompanying financial statements of Community Programming Board Regional Council of Governments (the Board) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Community Programming Board Regional Council of Governments, as of December 31, 2017, and the changes in financial position and its cash flows for the year then ended in accordance with 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 that the management's discussion and analysis and schedules of net pension liabilities and pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2018, 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. 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 Board's internal control over financial reporting and compliance.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

May 25, 2018

**Community Programming Board Regional Council of Governments**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2017**  
**(Unaudited)**

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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, 2017. 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 \$860,146 in fiscal year 2017, a decrease of \$84,996 from the previous year.
- Total assets were \$1,129,179 in fiscal year 2017.
- The operating revenue for fiscal year 2017 was \$405,471 and the operating expenses for fiscal year 2017 were \$498,874.

**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 deferred outflows of resources, and liabilities and deferred inflows of resources, 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 Regional Council of Governments**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2017**  
(Unaudited)

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**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 2017 and 2016.

**Table 1**  
**Net Position**

	<u>2017</u>	<u>2016</u>
Assets:		
Current and Other Assets	\$911,958	\$912,199
Capital Assets, Net	<u>217,221</u>	<u>234,024</u>
Total Assets	<u>1,129,179</u>	<u>1,146,223</u>
Deferred Outflows of Resources:		
Pension	<u>160,287</u>	<u>142,067</u>
Liabilities:		
Other Liabilities	4,215	3,602
Long-Term Liabilities	<u>422,211</u>	<u>334,034</u>
Total Liabilities	<u>426,426</u>	<u>337,636</u>
Deferred Inflows of Resources:		
Pension	<u>2,894</u>	<u>5,512</u>
Net Position:		
Investment in Capital Assets	217,221	234,024
Unrestricted	<u>642,925</u>	<u>711,118</u>
Total Net Position	<u>\$860,146</u>	<u>\$945,142</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the Board's assets and deferred outflows exceeded liabilities and deferred inflows by \$860,146.

At year end, capital assets represented 19.2% of total assets. Capital assets include land, buildings and improvements, and equipment. The amount of net investment in capital assets at December 31, 2017, was \$217,221. Net Capital Assets decreased mainly due the Board's depreciation expense exceeding current year additions. Total liabilities increased mainly due to the increase in net pension liability from 2016 to 2017.

Table 2 shows the changes in net position for the fiscal year ended December 31, 2017.



**Community Programming Board Regional Council of Governments**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended December 31, 2017**  
(Unaudited)

**Table 2**  
**Changes in Net Position**

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Charges for Services	\$390,351	\$415,693
Other Revenues	<u>15,120</u>	<u>4,035</u>
Total Operating Revenues	<u>405,471</u>	<u>419,728</u>
Operating Expenses:		
Personnel Services	363,563	323,829
Contractual Services	95,298	110,143
Materials and Supplies	6,896	14,442
Depreciation	23,221	29,341
Other	<u>9,896</u>	<u>9,533</u>
Total Operating Expenses	<u>498,874</u>	<u>487,288</u>
Operating Income (Loss)	<u>(93,403)</u>	<u>(67,560)</u>
Non-Operating Revenues (Expenses):		
Investment Earnings	<u>8,407</u>	<u>14,122</u>
Total Non-Operating Revenues (Expenses)	<u>8,407</u>	<u>14,122</u>
Change in Net Position	(84,996)	(53,438)
Net Position - Beginning of Year	<u>945,142</u>	<u>998,580</u>
Net Position - End of Year	<u><u>\$860,146</u></u>	<u><u>\$945,142</u></u>

The increase in operating expenses is due to the increase in pension expense from net pension liability (personnel services), while operating revenues remained relatively consistent from the prior year.

**Capital Assets**

At December 31, 2017, the Board had \$217,221 in net capital assets.

**Debt**

At December 31, 2017, 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.

Community Programming Board Regional Council of Governments  
Statement of Net Position  
December 31, 2017

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Assets:	
Current Assets:	
Equity in Pooled Cash and Investments	\$828,123
Receivables:	
Interest	1,186
Franchise Fee	<u>82,649</u>
Total Current Assets	<u>911,958</u>
Noncurrent Assets:	
Nondepreciable Capital Assets	75,164
Depreciable Capital Assets, Net	<u>142,057</u>
Total Noncurrent Assets	<u>217,221</u>
Total Assets	<u>1,129,179</u>
Deferred Outflows of Resources:	
Pension	<u>160,287</u>
Liabilities:	
Current Liabilities:	
Accrued Wages and Benefits	<u>4,215</u>
Total Current Liabilities	<u>4,215</u>
Long-Term Liabilities:	
Compensated Absences	50,022
Net Pension Liability	<u>372,189</u>
Total Liabilities	<u>426,426</u>
Deferred Inflows of Resources:	
Pension	<u>2,894</u>
Net Position:	
Investment in Capital Assets	217,221
Unrestricted	<u>642,925</u>
Total Net Position	<u><u>\$860,146</u></u>

See accompanying notes to the basic financial statements.

Community Programming Board Regional Council of Governments  
Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended December 31, 2017

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Operating Revenues:	
Charges for Services	\$390,351
Other Operating Revenues	<u>15,120</u>
Total Operating Revenues	<u>405,471</u>
Operating Expenses:	
Personnel Services	363,563
Contractual Services	95,298
Materials and Supplies	6,896
Depreciation	23,221
Other	<u>9,896</u>
Total Operating Expenses	<u>498,874</u>
Operating Income (Loss)	<u>(93,403)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>8,407</u>
Total Non-Operating Revenues (Expenses)	<u>8,407</u>
Change in Net Position	(84,996)
Net Position - Beginning of Year	<u>945,142</u>
Net Position - End of Year	<u><u>\$860,146</u></u>

See accompanying notes to the basic financial statements.

Community Programming Board Regional Council of Governments  
Statement of Cash Flows  
For the Fiscal Year Ended December 31, 2017

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Cash Flows from Operating Activities:	
Cash Received from Contractual Services and Franchise Fees	\$384,505
Other Operating Cash Receipts	15,120
Cash Payments to Employees for Salaries and Benefits	(295,611)
Cash Payments to Contractual Services	(95,298)
Cash Payments for Materials, Supplies and Other Services	(6,896)
Cash Payments for Other Expenses	<u>(9,896)</u>
Net Cash Provided (Used) by Operating Activities	<u>(8,076)</u>
Cash Flows from Capital and Related Financing Activities:	
Payments for Capital Acquisitions	<u>(6,418)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,418)</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>8,285</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>8,285</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,209)
Cash and Cash Equivalents - Beginning of Year	<u>834,332</u>
Cash and Cash Equivalents - End of Year	<u><u>828,123</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(93,403)
Adjustments:	
Depreciation	23,221
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	(5,846)
(Increase) Decrease in Deferred Outflows of Resources	(18,220)
Increase (Decrease) in Accrued Liabilities	1,882
Increase (Decrease) in Deferred Inflows of Resources	(2,618)
Increase (Decrease) in Net Pension Liability	<u>86,908</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$8,076)</u></u>

See accompanying notes to the basic financial statements.

**Community Programming Board Regional Council of Governments  
Notes to the Basic Financial Statements  
For The Years Ended December 31, 2017**

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**Note 1 – Description of the Board and Reporting Entity**

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**Organization**

The Community Programming Board Regional Council of Governments (“Board”) was formed in 2014 by the City of Forest Park and the Village of Greenhills. Prior to 2014, the CPB 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 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 Chairman is jointly appointed by the communities. 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 Spectrum (formerly Time Warner Cable) and Cincinnati Bell Fioptics Cable to pay franchise fees 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 Spectrum (formerly 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.

**Note 2 – Summary of Significant Accounting Policies**

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**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

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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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.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Board, deferred outflows of resources have been reported for the following two items related the Board's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the Board's contributions to the pension systems subsequent to the measurement date. The deferred outflows of resources related to the pension is reported on the governmental-wide statements of net position, see note 8.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows related to the pension is reported on the government-wide statement of net position, see note 8.

**Operating Revenues and Expenses**

The Board distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Equity in Pooled Cash and Investments**

To improve cash management the Board's cash and investments are pooled. Monies for all funds, except cash and investments held in segregated accounts, are maintained in this pool. Individual fund integrity is maintained through Board records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the statement of net position. For presentation on the statement of net position, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

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.

Investment earnings credited amounted to \$8,407.

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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**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. Buildings and improvements are depreciated over a thirty year period.

**Compensated Absences**

The Board reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the statement of net position.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the statement of net position.

**Income Taxes**

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

**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.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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**Net Position**

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

The Board applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. None of the restricted net position was restricted by enabling legislation.

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3 - Equity in Pooled Cash and Investments**

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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.

**Deposits**

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 pledged 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.

As of December 31, 2017, none of the Board's bank balance of \$312,471 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Board's name.



**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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**Investments**

As of December 31, 2017, the Board had the following investments:

Investment Type	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Money Market Funds	\$2,291	N/A	0.00
Negotiable CD's	513,423	Level 2	2.78
Total Investments	\$515,714		
Portfolio Weighted Average Maturity			2.77

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Board's recurring fair value measurements as of year-end. All investments of the Board are valued using quoted market prices.

Interest Rate Risk - In accordance with the investment policy, the Board manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

Credit and Concentration Risk – It is the Board's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The Board's investments are 0.4% in Money Market Funds and 99.6% in Negotiable CDs and are not rated.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Board's securities are either insured and registered in the name of the Board or at least registered in the name of the Board.

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**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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**Note 4 – Capital Assets**

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Changes in capital assets for the year that ended December 31, 2017 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	1,189,012	6,418	(3,475)	1,191,955
Totals at Historical Cost	<u>1,574,012</u>	<u>6,418</u>	<u>(3,475)</u>	<u>1,576,955</u>
Less Accumulated Depreciation:				
Buildings and Improvements	206,558	10,328	0	216,886
Equipment	1,133,430	12,893	(3,475)	1,142,848
Total Accumulated Depreciation	<u>1,339,988</u>	<u>23,221</u>	<u>(3,475)</u>	<u>1,359,734</u>
Capital Assets, Net	<u>\$234,024</u>	<u>(\$16,803)</u>	<u>\$0</u>	<u>\$217,221</u>

**Note 5 – Risk Management**

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**Commercial Insurance**

The Board has obtained commercial insurance for the following risks:

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

**Note 6 – Compensated Absences**

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Changes in compensated absences for the year that ended December 31, 2017 are summarized below:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$48,753	\$1,269	\$0	\$50,022	\$0

**Note 7 – Contingent Liabilities**

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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.

**Note 8 – Defined Benefit Pension Plans**

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**Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Board proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Board’s obligation for this liability to annually required payments. The Board cannot control benefit terms or the manner in which pensions are financed; however, the Board does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *accrued wages and benefits* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - Board employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Board employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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	<u>State and Local</u>
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board contractually required contribution was \$27,663 for 2017.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board proportion of the net pension liability was based on the Board share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>
Proportionate Share of the Net Pension Liability	\$372,189
Proportion of the Net Pension Liability	
Current Measurement Date	0.00163900%
Proportion of the Net Pension Liability	
Prior Measurement Date	<u>0.00164700%</u>
Change in Proportionate Share	-0.0000080%
Pension Expense	\$93,733

At December 31, 2017, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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	<u>OPERS</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$504
Changes of assumptions	59,034
Net difference between projected and actual earnings on pension plan investments	\$55,428
Changes in employer proportion share of net pension liability	17,658
Employer contributions subsequent to the measurement date	27,663
Total Deferred Outflows of Resources	<u><u>\$160,287</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$2,215
Changes in employer proportion share of net pension liability	679
Total Deferred Inflows of Resources	<u><u>\$2,894</u></u>

\$27,663 reported as deferred outflows of resources related to pension resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending	
<u>December 31:</u>	<u>OPERS</u>
2018	\$61,309
2019	50,370
2020	19,675
2021	<u>(1,624)</u>
Total	<u><u>\$129,730</u></u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2016
Experience Study	5 year period ending December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Cost-of-Living Adjustments:	
Pre 1/7/2013 Retirees	3.00% Simple,
Post 1/7/2013 Retirees	3.00% Simple,
Through 2018, then	2.15% Simple.

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	5.66 %

*Discount Rate* - The discount rate used to measure the total pension liability was 7.5%, post-experience study results, for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.



**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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*Sensitivity of the City Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -* The following table presents the net pension liability or asset calculated using the discount rate of 7.5%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Employer proportionate share of the net pension liability:			
OPERS	\$568,602	\$372,189	\$208,514

*Changes in Benefit Terms and Assumptions -* There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board’s investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities the plan will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

**Note 9 – Post Employment Benefits**

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**Ohio Public Employees Retirement System**

Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

As of December 31, 2017, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0%.

Information from Board's Records

The total employer contribution rate, above, is the statutorily required contribution rates for OPERS. As part of this disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund health care. The Board's actual contributions for the current year, which were used to fund postemployment benefits, were \$2,127 for 2017, \$4,236 for 2016, and \$4,098 for 2015.

**Community Programming Board Regional Council of Governments**  
**Notes to the Basic Financial Statements**  
**For The Years Ended December 31, 2017**

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**Note 10 – Change in Accounting Principle and Restatement of Net Position**

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For the year ended December 31, 2017, the Board has implemented Governmental Accounting Standards Board (GASB) Statement No. 80, *“Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14”*, GASB Statement No. 81 *“Irrevocable Split Interest Agreements”*, and GASB Statement No. 82, *“Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73”*.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of the Statement No. 39, *“Determining Whether Certain Organizations Are Component Units”*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the Board.

GASB Statement No. 81 improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Board.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by the employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the Board.

***REQUIRED SUPPLEMENTARY INFORMATION***

Community Programming Board Regional Council of Governments  
 Required Supplementary Information  
 Schedule of the Board's Proportionate Share of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Four Fiscal Years (1)

	2017	2016	2015	2014
Board's Proportion of the Net Pension Liability	0.00163900%	0.00164700%	0.00123500%	0.00123500%
Board's Proportionate Share of the Net Pension Liability	\$372,189	\$285,281	\$148,955	\$145,590
Board's Covered-Employee Payroll	\$211,883	\$239,150	\$228,550	\$207,779
Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	175.66%	119.29%	65.17%	70.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) - Information prior to 2014 is not available

Note - The schedule is reported as of the measurement date of the Net Pension Liability.

See notes to the required supplementary information.

Community Programming Board Regional Council of Governments  
 Required Supplementary Information  
 Schedule of Board Contributions  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Four Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$27,663	\$25,426	\$28,698	\$27,426
Contributions in Relation to the Contractually Required Contribution	<u>(27,663)</u>	<u>(25,426)</u>	<u>(28,698)</u>	<u>(27,426)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Board's Covered-Employee Payroll	\$230,525	\$211,883	\$239,150	\$228,550
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%	12.00%

(1) - Information prior to 2014 is not available

See notes to the required supplementary information.

**Community Programming Board Regional Council of Governments**  
**Notes to the Required Supplementary Information**  
**For The Year Ended December 31, 2017**

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**Note 1 – Pension Plans**

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**Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions**

There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board's investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities we will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

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**Community Programming Board**  
**Regional Council of Governments**



**Yellow Book Report**

**December 31, 2017**

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**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***

Board of Trustees  
Community Programming Board Regional Council of Governments

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 financial statements of Community Programming Board Regional Council of Governments (the Board), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated May 25, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 Board'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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
May 25, 2018



# 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  
JUNE 21, 2018**