



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Balance Sheet - Proprietary Fund Type – As of December 31, 2001 .....	3
Combined Statement of Revenues, Expenditures and Changes in Retained Earnings Proprietary Fund Type – For the Year Ended December 31, 2001 .....	4
Combined Statement of Cash Flows - Proprietary Fund Type For the Year Ended December 31, 2001 .....	5
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	15

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS**

Miami Valley Cable Council  
Montgomery County  
1195 East Alex Bell Road  
Centerville, Ohio 45459

To the Members of Council:

We have audited the accompanying general-purpose financial statements of the Miami Valley Cable Council, Montgomery County, (the Cable Council) as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Cable Council's management. Our responsibility is to express an opinion on these general-purpose 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Miami Valley Cable Council, Montgomery County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2002 on our consideration of the Cable Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

August 1, 2002

**This page intentionally left blank.**

**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**COMBINED BALANCE SHEET  
PROPRIETARY FUND TYPE  
AS OF DECEMBER 31, 2001**

	<u>Enterprise</u>
<b>ASSETS:</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,456,041
Receivables:	
Franchise Fees	335,400
Postage	691
Interest	776
Prepaid Items	11,826
Land and Improvements to Land	123,170
Buildings and Improvements to Buildings	886,925
Furniture, Fixtures and Equipment	1,456,675
Vehicles	68,613
Less: Accumulated Depreciation	<u>(1,461,637)</u>
	<u><u>\$2,878,480</u></u>
<b>LIABILITIES:</b>	
Accounts Payable	\$118,009
Accrued Salaries Payable	2,322
Accrued Pension Payable	21,857
Accrued Worker's Compensation Payable	1,794
Accrued Compensated Absences Payable	24,198
Total Liabilities	<u>168,180</u>
<b>EQUITY:</b>	
Contributed Capital	16,667
Retained Earnings:	
Unreserved	2,693,633
Total Fund Equity	<u><u>2,710,300</u></u>
Total Liabilities and Fund Equity	<u><u>\$2,878,480</u></u>

*See accompanying notes to the general purpose financial statements.*

**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Enterprise</b>
<b>Operating Revenues:</b>	
Franchise Fees	\$1,267,460
Charges for Services	80,641
Training and Tuition	31,310
Other Income	29,778
 Total Operating Revenues	 1,409,189
<b>Operating Expenses:</b>	
Personnel Services	591,624
Fringe Benefits	130,492
Equipment and Supplies	31,027
Maintenance	45,593
Contractual Service	252,480
Depreciation	162,388
Utilities	19,215
Telephone	16,123
Training and Seminars	21,141
Other Operating Expenses	73,244
 Total Operating Expenses	 1,343,327
 Operating Income (Loss)	 65,862
 Non-Operating Revenues/(Expenses)	
Interest	56,329
 Total Non-Operating Revenues/(Expenses)	 56,329
 Net Income (Loss)	 122,191
 Retained Earnings at Beginning of Year	 2,571,442
Retained Earnings at End of Year	\$ 2,693,633

*See accompanying notes to the general purpose financial statements.*



**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Enterprise</b>
<b>Cash Provided (Used) by Operations</b>	
Operating Income (Loss)	\$65,862
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	162,388
Increase in Accounts Receivable	(20,769)
Increase in Prepaid Expenses	(328)
Increase in Accounts Payable	46,944
Increase in Accrued Salaries Payable	2,044
Decrease in Accrued Work's Compensation Payable	(4,513)
Increase in Accrued Pension Payable	9,926
Increase in Compensated Absences	1,580
	263,134
Net Cash Used In Operating Activities	263,134
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(164,387)
Capital Lease Payment	(11,106)
	(175,493)
Net Cash Used For Capital and Related Financing Activities	(175,493)
Cash Flows from Investing Activities:	
Interest	60,286
Net (Decrease) in Cash and Cash Equivalent	147,927
Cash and Cash Equivalents Beginning of Year	1,308,114
Cash and Cash Equivalents End of Year	\$1,456,041

*See accompanying notes to the general purpose financial statements.*

**This page intentionally left blank.**

**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**1. REPORTING ENTITY AND BASIS OF PRESENTATION**

**A. Description of the Entity**

The Miami Valley Cable Council (the Cable Council) is a consortium of municipalities providing a cable system for the southern suburbs of Dayton, Ohio. This consortium consists of the following municipalities: City of Oakwood, City of Moraine, City of Kettering, City of West Carrollton, City of Miamisburg, City of Centerville, City of Germantown (expansion member), and Village of Springboro (expansion member).

In 1975, the first six members shown above awarded identical franchises to Continental Cable of the Miami Valley, and shortly thereafter the Cable Council was formally established to administer those franchises. The Cable Council is funded by franchise fees which the cable companies pay to the cities for the privilege of using the public rights-of-way. Under the terms of the franchise agreements, channel capacity is to be set aside on the cable system for community use. The managing of the Community Access Facility is a large part of the Miami Valley Cable Council's responsibility for franchise administration.

The Miami Valley Cable Council is also the fiscal agent for the Tactical Crime Suppression Unit. The Tactical Crime Suppression Unit is a consortium of the municipalities' police departments organized as a cooperative effort to deal more effectively with the present and projected crime levels in the municipalities.

**B. Reporting Entity**

The reporting entity is comprised of the primary unit government, component units, and other organizations that are included to insure that the financial statements of the Cable Council are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separated from the Cable Council. For Miami Valley Cable Council, this includes general operations and the Tactical Crime Suppression Unit.

Component units are legally separated organizations for which the Cable Council is financially accountable. The Cable Council is financially accountable for an organization if the Cable Council appoints a voting majority of the organization's governing board and (1) the Cable Council is able to significantly influence the program or services performed or provided by the organization; or (2) the Cable Council is legally entitled to or can otherwise access the organization's resources; the Cable Council is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Cable Council is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Cable Council to approve the budget, issue debt, or levy taxes for the organization.

The financial statements of the Miami Valley Cable Council have been prepared in conformity with General Accepted Accounting Principals (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The Cable Council also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Cable Council's accounting policies are described below.

**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation - Fund Accounting**

The Cable Council uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Cable Council functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the funds of the Cable Council are classified in the proprietary fund type. Proprietary funds are used to account for the Cable Council's activities which are similar to those found in the private sector. The following is the Cable Council's proprietary fund type:

**Enterprise Funds** - Enterprise funds are used to account for Cable Council activities that are financed and operated in a manner similar to private business enterprise where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes.

**B. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus. With measurement focus, all assets and all liabilities associated with operation of the fund is included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred.

**C. Budgetary Process**

The budgetary process is prescribed by provisions of the Miami Valley Cable Council By-Laws and entails the preparation of budgetary documents within an established timetable. The budget shall not include expenditures in excess of current revenues and available resources. The budget must be approved by the Cable Council and may be amended during the year only with the approval of the Cable Council. The Cable Council is not required to certify to the Montgomery County Budget commission or other regulatory agencies.

**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Cash and Cash Equivalents**

The Cable Council's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

There are no restrictions on the Cable Council's investment activities.

During fiscal year 2001, investments were limited to certificates of deposits and STAR Ohio. Investments are stated at cost which approximates market value. Investment earnings are reported in the fund which has made the investment.

For purpose of the statement of cash flows and for presentation on the balance sheet, investments with an original maturity of three months or less at the time they are purchased by the Cable Council are considered to be cash equivalents.

**E. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which the services are consumed.

**F. Fixed Assets and Depreciation**

Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their market values as of the date received. The Cable Council does not have any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of fixed assets is also not capitalized.

Depreciation of buildings, furniture and equipment, and vehicles in the enterprise funds is computed using the straight-line method over an estimated useful life of five years for furniture, equipment and vehicles and forty years for buildings. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**G. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the Cable Council will compensate the employees for the benefits through paid time off or some other means. The Cable Council records a liability for accumulated unused vacation time when earned for all employees. The entire amount of the liability is reported in the fund from which the employee is paid.

Sick leave benefits are not subject to payout by the Cable Council and therefore are not included as a liability on the balance sheet.

**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made out of it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual transfers. All other interfund transfers are reported as operating transfers.

**I. Franchise Fees**

The Cable Council receives 5% of the gross revenues of cable companies operating within the member of the Cable Council's jurisdiction based on an agreement entered into by the Cable Council and the cable companies. This agreement expires in 2006. These fee receipts are reported as franchise fees in the Miami Valley Cable Council Fund. Franchise fee revenue totaled \$1,267,460 for the period January 1, 2001 through December 31, 2001.

**3. DEPOSITS AND INVESTMENTS**

Protection of the Cable Council's deposits is provided by the Federal Deposits Insurance Corporation (FDIC) or by a single collateral pool established by the financial institution to secure the repayment for all public monies deposited with the institution.

The following information classifies deposits and investments as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

**Deposits:**

At year-end, the carrying amount of the Cable Council's deposits was \$387,265 and the bank balance was \$388,565. Of the bank balance, \$123,828 was covered by federal depository insurance and \$264,737 was covered by pooled collateral held in the pledging bank's trust department in the Cable Council's name.

Although the securities serving as collateral were held by the pledging financial institution's trust department in the Cable Council's name, and all state statutory requirements for the deposits of money had been followed, noncompliance with federal requirements would potentially subject the Cable Council to a successful claim by the Federal Deposit Insurance Corporation.

**Investments:**

The Cable Council investments are categorized below to give an indication of the level of the risk assumed by the Cable Council at fiscal year end. Category 1 includes investments that are insured or registered for which the securities are held by the Cable Council or its agent in the Cable Council's name. Category 2 includes uninsured or unregistered investments which are held by the counterparty's trust department or agent in the Cable Council's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Cable Council's name.

**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

The Cable Council's investments in STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified since they are not evidenced by securities that exist in physical or book entry form.

The Cable Council's investments at year end were limited to STAR Ohio. The carrying value and the market value of these investments at December 31, 2001, were \$1,068,776.

The classification of cash and cash equivalents on the combined financial statements is based on the criteria set forth in GASB Statement No. 9. Reconciliation between the classification of cash and investments on the combined financial statements and the classification per GASB Statement 3 is as follows:

	Cash and Cash Equivalent/Deposits	Investments
GASB Statement 9	\$1,456,041	\$ 0
Investments:		
STAR Ohio	<u>(1,068,776)</u>	<u>1,068,776</u>
GASB Statement 3	<u>\$ 387,265</u>	<u>\$1,068,776</u>

**4. RISK MANAGEMENT**

The Cable Council is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters. The Cable Council maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicle. Vehicle policies include liability coverage for bodily injury and property damage. Settlement claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from last year.

**5. DEFINED BENEFIT PENSION PLANS**

The Cable Council contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer public employee retirement system administered by the public employees' retirement Board. PERS provides basic retirement benefits, disability benefits, and survivor benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised code.

PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus Ohio 43215.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the Cable Council is required to contribute 13.55 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The Cable Council's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999, were \$78,530, \$62,919, and \$78,849, respectively. The full amount has been contributed for 2000 and 1999. For 2001, 72 percent has been contributed, with the remainder being reported as a fund liability.

**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Continued)**

**6. POST EMPLOYMENT BENEFITS**

The Public Employees Retirement System of Ohio (PERS) provides post retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability is available. The health care coverage provided by the retirement system is considered Other Post Employment Benefit (OPEB) as described in GASB Statement No.12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. For local employer units the rate was 13.55 percent of covered payroll; 4.3 percent was the portion that was used to fund health care.

Summary of Assumptions:

**Actuarial Review** - The assumption and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2000.

**Funding Method** - An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfounded actuarial accrued liability.

**Assets Valuation Method** - All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percentage of unrealized market appreciation or depreciation on investment assets.

**Investment Return** - The investment assumption rate for 2000 was 7.75 percent.

**Active Employee Total Payroll** - An annual increase of 4.75 percent compounded annually, is the base portion of individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above 4.75 percent base increase, were assumed to range from .54 percent to 5.1 percent.

**Health Care** - Health care costs were assumed to increase 4.75 percent annually.

OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participating was 411,076. The rates stated in the first paragraph of the postemployment benefits section are actuarially determined contribution requirements for PERS. The portion of the Cable Council's contributions actual made for the year 2001 that were used to fund post employment benefits was \$21,768. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000 was \$11,735.9 million. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost, were \$14,364.6 million and \$2,628.7 million, respectively.



**MIAMI VALLEY CABLE COUNCIL  
MONTGOMERY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(Continued)**

**7. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The Cable Council maintains two enterprise funds to account for its general operations and the Tactical Crime Suppression Unit. The table below reflects the more significant financial data relating to the enterprise funds of the Cable Council as of and for the fiscal year ended December 31, 2001.

	<b>Miami Valley Cable Council</b>	<b>Tactical Crime Suppression Unit</b>	<b>Total Enterprise Funds</b>
Operating Revenue	\$1,315,953	\$ 93,236	\$1,409,189
Operating Expenses Less Depreciation	1,029,929	151,010	1,180,939
Depreciation Expense	143,994	18,394	162,388
Operating Income (Loss)	142,030	(76,168)	65,862
Interest Income	56,253	76	56,329
Net Income	82,283	39,908	122,191
Fixed Assets Additions	158,309	6,078	164,387
Net Working Capital	1,654,988	(18,434)	1,636,554
Total Assets	2,654,991	223,489	2,878,480
Total Retained Earnings	2,493,263	200,370	2,693,633

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Miami Valley Cable Council  
Montgomery County  
1195 East Alex Bell Road  
Centerville, Ohio 45459

To the Members of Council:

We have audited the financial statements of Miami Valley Cable Council as of and for the year ended December 31, 2001, and have issued our report thereon dated August 1, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Miami Valley Cable Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Miami Valley Cable Council in a separate letter dated August 1, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Miami Valley Cable Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Miami Valley Cable Council in a separate letter dated August 1, 2002.

Miami Valley Cable Council  
Montgomery County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the finance committee, management, and the Members of Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

**Jim Petro**  
Auditor of State

August 1, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**MIAMI VALLEY CABLE COUNCIL**

**MONTGOMERY 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  
SEPTEMBER 3, 2002**