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COMMUNITY PLANNING ASSOCIATION
of Southwest Idaho

FINANCIAL STATEMENTS

September 30, 2012

Report Number 01-2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Planning Association of Southwest Idaho
Meridian, Idaho

We have audited the accompanying financial statements of the governmental activities and each major fund of Community Planning Association of Southwest Idaho as of and for the year ended September 30, 2012, which collectively comprise the Association's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Community Planning Association of Southwest Idaho's management. Our responsibility is to express opinions 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 of material misstatements. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Community Planning Association of Southwest Idaho, as of September 30, 2012, and the respective changes in financial position 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 December 13, 2012, on our consideration of the Community Planning Association of Southwest Idaho's internal control over financial reporting and on 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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 13 and page 28 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have

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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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Our audit was conducted for the purpose of forming opinions on financial statements that collectively comprise the Community Planning Association of Southwest Idaho's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Harris & Co. PLLC

Meridian, Idaho
December 13, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

Our discussion and analysis of Community Planning Association of Southwest Idaho's financial performance provides an overview of the agency's financial activities for the year ended September 30, 2012.

FINANCIAL HIGHLIGHTS

- The assets of the Community Planning Association of Southwest Idaho exceeded its liabilities at September 30, 2012 by \$2,613,679. Of this amount, \$1,555,275 has been designated for specific future use as identified on pages 11 and 12.
- As of September 30, 2012, the Community Planning Association of Southwest Idaho's governmental funds reported an ending fund balance of \$1,555,275 and as noted above has been designated for specific future uses.
- The Community Planning Association of Southwest Idaho recorded \$2,238,039 in federal operating grants.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Community Planning Association of Southwest Idaho's basic financial statements. The financial statements are comprised of four components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements
- 3) Required supplementary information

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of Community Planning Association of Southwest Idaho's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Community Planning Association of Southwest Idaho's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the agency is improving or deteriorating.

The statement of activities presents information showing how the agency's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include functions of the Community Planning Association of Southwest Idaho that are primarily supported by grants, contributions, and inter-governmental revenues. These are titled Governmental Activities and include planning activities, and pass-through grants to other agencies.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Community Planning Association of Southwest Idaho uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Community Planning Association of Southwest Idaho uses governmental funds as its only fund type.

Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing arrangements.

Because the focus of general governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for general governmental funds with similar information presented for activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is necessary to fully understand the data presented in the government-wide and fund financial statements.

SUPPLEMENTARY INFORMATION

This section has information that further explains and supports the information in the financial statements by including a comparison of the budget data for the year.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following condensed financial information was derived from the government-wide Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Community Planning Association of Southwest Idaho, assets exceeded liabilities by \$2,613,679 at September 30, 2012, as shown in Table A-1.

Table A-1

	<u>Governmental Activities FY2012</u>	<u>Governmental Activities FY2011</u>
Current and Other Assets	\$ 1,727,066	\$ 2,598,787
Capital Assets	<u>1,058,404</u>	<u>74,971</u>
Total Assets	2,785,470	2,673,758
Other Liabilities	<u>171,791</u>	<u>216,329</u>
Total Net Assets	<u>\$ 2,613,679</u>	<u>\$ 2,457,429</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 1,058,404	\$ 74,971
Unrestricted	<u>1,555,275</u>	<u>2,382,458</u>
Total Net Assets	<u>\$ 2,613,679</u>	<u>\$ 2,457,429</u>

The overall decrease in current and other assets and corresponding increase in capital assets is primarily due to the building purchase.

The decrease in other liabilities is due to a smaller accounts payable balance.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT’S DISCUSSION AND ANALYSIS

September 30, 2012

GOVERNMENTAL ACTIVITIES

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the Community Planning Association of Southwest Idaho’s net assets changed during the year.

Table A-2

	<u>Governmental Activities FY2012</u>	<u>Governmental Activities FY2011</u>
Revenues:		
Program Revenues		
Operating Grants	\$ 2,238,039	\$ 1,716,203
Other Program Revenue	55,632	14,648
General Revenue		
Membership Dues	846,456	846,028
Other Revenue	<u>4,190</u>	<u>7,931</u>
Total Revenues	<u>3,144,317</u>	<u>2,584,810</u>
Expenses:		
Planning Activities	<u>2,988,067</u>	<u>2,213,411</u>
Total Expenses	<u>2,988,067</u>	<u>2,213,411</u>
Change in Net Assets	156,250	371,399
Net Assets – Beginning	<u>2,457,429</u>	<u>2,086,030</u>
Net Assets - Ending	<u>\$ 2,613,679</u>	<u>\$ 2,457,429</u>

Over the course of the year, net assets for the Community Planning Association of Southwest Idaho increased by \$156,250. This increase includes unexpended membership dues that are designated to be expended in a future period.

Operating grants revenue was higher in FY2012 as the Association was no longer working on the two corridor preservation projects that were experiencing significant delays in FY2011 and prior years.

Other program revenue was higher in FY2012 due to additional work requested by member agencies.

Other revenue was lower in FY2012 due to a declining rate of interest on interest bearing accounts.

Planning activities expenses were higher in FY2012 primarily due to increased work performed on professional service contracts.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

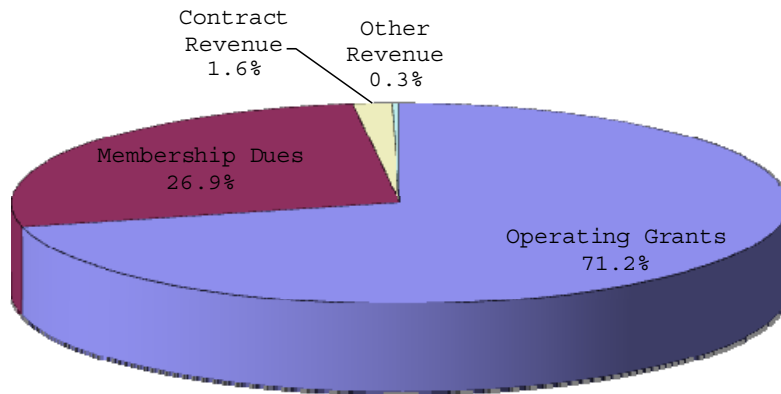
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

GOVERNMENTAL ACTIVITIES - REVENUES

The Community Planning Association of Southwest Idaho's major revenue sources are federal operating grants, membership dues, contract revenue, and other revenue as shown in the following chart:

REVENUE BY SOURCE
FOR THE YEAR ENDED SEPTEMBER 30, 2012



Operating grants revenues are received primarily from three sources:

- Consolidated Planning Grant Funds (Federal Highway Administration and Federal Transit Administration)
- Surface Transportation Program Funds; and
- Federal Transit Authority Funds

The Community Planning Association Board of Directors assesses membership dues annually.

The primary source of contract revenue is from additional work performed on behalf of member agencies.

Other revenue includes interest income, sales of maps, geographic information systems data, and digital Orthophotography.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

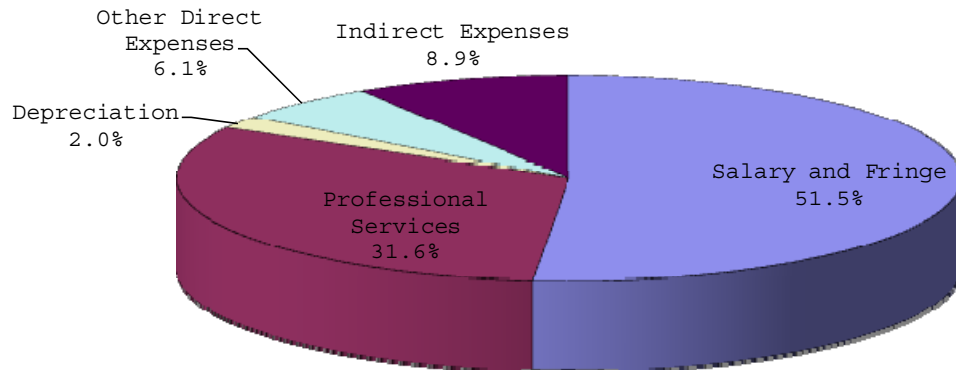
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

GOVERNMENTAL ACTIVITIES - EXPENSES

The following chart depicts the expenses of the Community Planning Association of Southwest Idaho's government activities for the year:

EXPENSE BY CATEGORY
FOR THE YEAR ENDED SEPTEMBER 30, 2012



The largest expense category in FY2012 was salary and fringe. At the end of the fiscal year, the staff of Community Planning Association of Southwest Idaho was comprised of nineteen full-time employees including directors, planners and operations staff.

The second largest expense category in FY2012 was professional services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Community Planning Association of Southwest Idaho uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Association classifies fund balance as follows:

Nonspendable:

\$ 2,862 Prepaid expenses

Committed To:

\$ 312,111 Set-aside for potential 20% rescission

\$ 2,355 Set-aside for CIM implementation program

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

Assigned To:

\$ 15,456	Local match requirements
\$ 48,000	Complete intelligent transportation architecture for program number 842
\$ 30,000	Purchase replacement vehicle
\$ 15,317	Orthophotography project

Unassigned:

\$ 1,129,174

General Fund Budgetary Highlights

Budget development begins with the assistance of the Regional Technical Advisory Committee, and is then approved by the Finance Committee and Board of Directors. Over the course of the year, the Community Planning Association of Southwest Idaho revised the unified planning work program and budget two times.

Budget adjustments are completed to incorporate funding and program revisions in order to include planning projects funded under federal grants; to periodically update revenue and expense assumptions; and to incorporate significant changes as a result of timely reviews. Revisions are presented to the Finance Committee and the Board of Directors for approval.

With these adjustments, total expenditures were 82.2% of the revised budget amounts. The most significant expenditure variance is for professional service expenditures and is primarily due to slow spend out on program 661, *Communities in Motion*, program number 838, Household Travel Survey, and program 842, Congestion Management System. As a result, operating grants revenue and contract revenue are also under budget because grants are billed only after the expenditure has occurred.

The favorable budget variance in salary and fringe benefits is due to staff vacancies, unspent contingency dollars, and savings in fringe benefits.

The favorable budget variance in other direct expenditures is due to under expenditures in the categories of legal and lobbying, travel and education, printing, public involvement, meeting support, the set-aside for a potential twenty percent rescission of federal aid funds, and the set-aside for *Communities in Motion* grant implementation program.

The favorable budget variance in indirect expenditures is due primarily to budget savings for equipment repair and maintenance, travel and education, postage, moving costs, building maintenance and association fees, copier, legal services, and computer software and maintenance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Community Planning Association of Southwest Idaho's investment in capital assets for governmental activities as of September 30, 2012 amounts to \$1,058,404 (net of accumulated depreciation). This

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

investment in capital assets includes office equipment, office furniture, software, vehicles, and buildings and improvements.

The investment in capital assets increased \$1,041,912 during the fiscal year. Major capital additions for the year include:

- Building Purchase, \$931,820
- Legal fees related to building purchase, \$22,061
- Replacement vehicle, \$26,213
- Replacement of computer equipment, \$18,041
- Purchase of office furniture, \$38,512
- Building Improvements, \$5,265

Debt Administration

At year-end the Community Planning Association of Southwest Idaho had no capital lease obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Community Planning Association of Southwest Idaho considered many factors when setting the fiscal year 2013 budget, including funding from federal agencies and program requests from member agencies.

The following revenue assumptions were taken into account when adopting the FY2013 Unified Planning Work Program:

- Total member dues remain at 2012 levels.
- The Consolidated Planning Grant was held constant from FY2012 levels.
- \$300,000 will be collected from various entities to participate in an orthophotography project.
- \$38,000 was programmed to fund a one-time merit based disbursement to staff from FY2012 savings.

The Community Planning Association of Southwest Idaho continues to rely on federal grants to fund its programs. Like so many other agencies, the association is waiting to see whether terms of the Budget Control Act of 2011 (the fiscal cliff) will occur and how they might affect federal-aid highway funds.

Requests for Information

This financial report is designed to provide a general overview of the Community Planning Association of Southwest Idaho's finances for all those with an interest in the agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Operations
Community Planning Association of Southwest Idaho
700 NE 2nd Street, Suite 200
Meridian, ID 83642

FINANCIAL STATEMENTS

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2012

	<u>Governmental Fund</u>	<u>Adjustments Note B</u>	<u>Statement of Net Assets</u>
ASSETS			
Cash and cash equivalents	\$ 1,248,899		\$ 1,248,899
Board designated cash and cash equivalents	314,466		314,466
Grants receivable	160,839		160,839
Prepaid expenses	2,862		2,862
Building, improvements and equipment, net of accumulated depreciation	<u>0</u>	\$ 1,058,404	<u>1,058,404</u>
Total Assets	<u>\$ 1,727,066</u>		<u>\$ 2,785,470</u>
LIABILITIES			
Accounts payable	\$ 67,703		\$ 67,703
Accrued payroll liabilities	63,732		63,732
Deferred revenue	<u>40,356</u>		<u>40,356</u>
Total Liabilities	171,791		171,791
FUND BALANCE / NET ASSETS			
Fund Balances:			
Nonspendable:			
Prepaid Expenses	2,862		
Committed To:			
Set-Aside for Potential 20% Rescission	312,111		
Set-Aside for CIM Implementation Program	2,355		
Assigned To:			
Local Match Requirements	15,456		
Complete ITS Analysis for program number 842	48,000		
Purchase Replacement Vehicle	30,000		
Orthophotography	15,317		
Unassigned:	<u>1,129,174</u>		
Total Fund Balances	<u>1,555,275</u>		
Total Liabilities and Fund Balances	<u>\$ 1,727,066</u>		
Net Assets:			
Invested in Capital Assets, Net of Related Unrestricted			1,058,404
			<u>1,555,275</u>
Total Net Assets			<u>\$ 2,613,679</u>

See notes to financial statements.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCES**

For the Year Ended September 30, 2012

	<u>General Fund</u>	<u>Adjustments Note C</u>	<u>Statement of Activities</u>
EXPENDITURES			
Transportation Planning and Development			
Salary and fringe benefits	\$ 1,537,585	\$	\$ 1,537,585
Professional service expenditures	945,105		945,105
Other direct expenditures	182,112		182,112
Indirect expenditures	<u>264,869</u>		<u>264,869</u>
Total Transportation Planning and Development	2,929,671	0	2,929,671
Depreciation expense		58,396	58,396
Capital outlay	<u>1,041,912</u>	<u>(1,041,912)</u>	<u>0</u>
Total Expenditures	3,971,583	(983,516)	2,988,067
REVENUE			
Program Revenues			
Membership dues	846,456		846,456
Operating grants	2,238,039		2,238,039
Contract revenue	49,838		49,838
Program revenue-other	<u>5,794</u>		<u>5,794</u>
Total program revenue	3,140,127	0	3,140,127
General revenue			
Earnings on investments and other income	<u>4,273</u>	<u>(83)</u>	<u>4,190</u>
Total Revenue	<u>3,144,400</u>	<u>(83)</u>	<u>3,144,317</u>
Excess (Deficiency) of Revenue Over Expenditures	(827,183)		
Change in Net Assets			156,250
FUND BALANCE/ NET ASSET			
Beginning of Year	<u>2,382,458</u>		<u>2,457,429</u>
End of Year	<u>\$ 1,555,275</u>		<u>\$ 2,613,679</u>

See notes to financial statements.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS

September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The Community Planning Association of Southwest Idaho (Association) was organized November 1, 1999, under the provisions of Idaho Code Section 67-2326 (joint powers agreements). The Association is supported by membership dues and federal pass-through grants from the State of Idaho. Under the direction of the Association's board of directors, staff provides technical support services that are useful for mapping and related data, monitoring growth and development, transportation planning, and other intergovernmental services.

General members:

- Ada County
- Ada County Highway District
- City of Boise
- City of Caldwell
- Canyon County
- Canyon Highway District #4
- City of Eagle
- City of Garden City
- City of Kuna
- City of Meridian
- City of Middleton
- City of Nampa
- Nampa Highway District #1
- City of Parma
- City of Star

Special purpose members:

- Boise State University
- Capital City Development Corporation
- Idaho Department of Environmental Quality
- Idaho Transportation Department
- Valley Regional Transit

Ex officio members:

- Office of the Governor of the State of Idaho
- Central District Health Department
- Greater Boise Auditorium District

Financial Reporting Entity

The Association's financial statements include the accounts of all Association operations. The Association has no component units based on the criteria for including organizations as component units within the Association's reporting entity.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

As allowed under GASB 34, the Association is reported as a single purpose entity. This allows for the government-wide financial statements to be combined with the fund-level financial statements (i.e., the statement of net assets and governmental fund balance sheet and, the statement of activities and governmental fund statement of revenues, expenditures, and changes in fund balances).

The government-wide column of the financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Association. The statement of activities demonstrates the degree to which the direct expenses are offset by program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide column of the financial statements is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Revenue from grants is recognized when an expenditure under the terms of the grant have been satisfied.

The governmental fund column of the financial statements is reported using the current financial resource measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Association considers all revenues reported in the governmental funds available if the revenues are collected within sixty days after year-end. Federal grant revenue, member dues, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in government funds. Acquisitions under capital leases are reported as other financing sources.

The Association is accounted for as a special-purpose government engaged in a single governmental program. The combined statement of net assets and the statement of activities display information about the Association. These statements include the financial activities of the overall reporting entity. Governmental activities generally are financed through federal grant monies and member dues. The Association is a special-purpose government engaged in a single governmental program. Therefore, it accounts for all of its financial resource under the general fund. The major sources of revenue are membership dues and federal grants passed through from the State of Idaho.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The Association follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August, the Association submits a proposed work plan and budget for the fiscal year commencing the following October 1 that is ratified by the governing body of each general member and special purpose member that contributes to the budget. The FY2012 budget was approved on August 15, 2011, and a final amendment was approved on November 28, 2011.
2. The Executive Director is the disbursement officer for all funds in accordance with the approved budget.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund.
4. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash

Cash and cash equivalents include cash on hand, cash in banks, and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short-term maturities.

Board-Designated Cash

Certain cash, cash equivalents and investments are designated by the Association's Board of Directors to cover a potential rescission of federal-aid funds, and to cover *Communities in Motion* implementation program.

Investments

Idaho Code provides authorization for the investment of funds as well as specific direction regarding allowable investments. The Association's policy is consistent with this direction. The Association currently invests in interest bearing bank accounts, money market account, and the State of Idaho local government investment pool.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements - In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Assets costing more than \$1,000 with a useful life of one year or more are included in capital assets. Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	10-45 years
Equipment	3-8 years
Vehicles	3-5 years

Fund Financial Statements - In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Accumulated Unpaid Vacation and Sick Pay Amounts

The Association provides vacation and sick leave to its employees. Earned vacation is paid to employees when taken or paid to employees or beneficiaries upon the employee's termination, retirement, or death.

In the governmental fund, only the amount that normally would be liquidated with expendable available financial resources is accrued as current year expenditures. The Association uses the last-in, first-out method of recognizing use of compensated absences. Unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE B – EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET

Total fund balances in the Associations governmental fund may differ from the net assets of the governmental activities reported in the statement of net assets as a result of the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheet.

Fund Balance – Total Governmental Funds	\$ 1,555,275
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds	<u>1,058,404</u>
Net Assets of Governmental Activities:	<u>\$ 2,613,679</u>

NOTE C – EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

The net change in fund balances for governmental funds may differ from the change in net assets for governmental activities reported in the statement of activities as a result of the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental funds.

Net Change in Fund Balances – Total Governmental Funds	\$ (827,183)
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$1,041,912 exceeded depreciation expense of \$58,396 in the current period.	983,516
Loss on disposal of asset in the current period.	<u>(83)</u>
Change in Net Assets of Governmental Activities	<u>\$ 156,250</u>

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE D - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Idaho Code provides authorization for the investment of funds as well as specific direction regarding allowable investments. The Association's policy is consistent with this direction.

Banking and Investment Policy

The Association obtains its funding from membership dues and federal grants. The finance committee and management of the Association will strive to invest with the judgment and care that prudent individuals would exercise in the execution of their own affairs, to maintain the safety of principal, maintain liquidity to meet cash flow needs, and to provide competitive returns on deposits and investments. These primary objectives in priority order are:

- a. Safety – Safety of principal is foremost. Deposits and investments will be undertaken in a manner that seeks to ensure the preservation of funds.
- b. Liquidity – Dollars will remain sufficiently liquid in order to meet all anticipated operating expenses. The Association will strive to maintain a liquid cash balance of at least three months operating costs.
- c. Yield – Deposits and investments will be designed with the objective of attaining a market rate of return taking into account the investment risk constraints and liquidity needs. Yield is secondary to safety and liquidity.

As of September 30, 2012 the Association had deposits or investments in the following accounts:

- 1. Idaho Central Credit Union – Business Checking (federally insured)
- 2. Idaho Central Credit Union – Share Savings (federally insured)
- 3. Zions Bank – Ultimate Savings Account (federally insured)
- 4. Zions Bank – Collateralized Municipal Money Market Fund (collateralized under an irrevocable standby letter of credit with the Federal Home Loan Bank)
- 5. State of Idaho – Local Government Investment Pool (uncategorized)

The Association considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents and they are carried at cost, which approximates market value. The level of risk assumed by the Association is shown below:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Fund</u>
Federally Insured	\$ 464,028	\$ 495,423	General
Collateralized	402,664	402,664	General
Uncategorized	<u>696,673</u>	<u>696,399</u>	General
	<u>\$ 1,563,365</u>	<u>\$ 1,594,486</u>	

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE D - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's, and Fitch's. The rating of the LGIP as of September 30, 2009 was AAAf. The LGIP terminated its rating service in December 2009 as the cost of the rating outweighed the benefit to the pool as a whole. The funds objectives and overall strategy and structure has not changed.

Interest Rate Risk

Interest rate risk is the risk that the changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Association's banking and investment policy ranks yield behind safety and liquidity when making deposit and investment decisions, and invests accordingly to meet these policy requirements.

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Association will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The Association's policy maintains that safety of principal is the foremost consideration in deposits and investments, and invests accordingly to meet this policy requirement. As of September 30, 2012 the federally insured and collateralized bank balances of the Association were adequately insured and collateralized as defined by GASB.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The GASB has adopted a principal that governments should provide note disclosure when five percent of the total entities investments are concentrated in any one issuer.

Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The Association does not place a limit on the amount it may invest in any one issuer.

NOTE E - GRANTS RECEIVABLE

Grants receivable at September 30, 2012, consist of amounts billed to the state or federal grant agencies that have not yet been received. No provision for an allowance for bad debt has been made since the Association has never had any bad debt.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE F - FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance September 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2012</u>
Office equipment, furniture, software, and vehicle	\$ 432,193	\$ 84,941	\$ (93,366)	\$ 423,768
Building and improvements	<u>20,811</u>	<u>956,971</u>	<u>0</u>	<u>977,782</u>
Total Capital Assets	453,004	1,041,912	(93,366)	1,401,550
Accumulated depreciation	<u>(378,033)</u>	<u>(58,396)</u>	<u>93,283</u>	<u>(343,146)</u>
Net Capital Assets	<u>\$ 74,971</u>	<u>\$ 983,516</u>	<u>\$ (83)</u>	<u>\$ 1,058,404</u>

NOTE G - LEASES

Prior to moving into a new building in mid December 2011, the Association leased a portion of a building for its office space. This operating lease terminated on December 31, 2011. Actual rent expense for the year ended September 30, 2012, was \$28,527.

NOTE H - PENSION PLAN

The Public Employee Retirement System of Idaho (PERSI), a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.00% of the average monthly salary for the highest consecutive 42 months.

The contribution requirements of the Association and its employees are established and may be amended by the PERSI board of trustees. For the year ended September 30, 2012, the required contribution rate as a percentage of covered payroll for general members was 6.23%. The employer rate as a percentage of covered payroll was 10.39%. The Association's contributions required and paid were \$187,307, \$183,478, and \$188,249 for the three years ended September 30, 2012, 2011, and 2010 respectively.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE I - DEFERRED COMPENSATION PLAN

Employees of the Association may elect to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, retirement or unforeseeable emergency.

In accordance with GASB 32, the Association does not list this plan on its financial statements.

NOTE J - 401(k) PLAN

All employees of the Association that are also an active member of the PERSI pension plan may also join the PERSI Choice 401(k) Plan. An employee may defer from 1 – 100% of their gross income as long as the deferral stays within the annual contribution limits established by the Internal Revenue Service. The Plan allows participants to borrow against their account balance within certain limits set by the plan. The Plan also allows hardship withdrawals upon satisfying the conditions established by the Plan.

NOTE K - CONTINGENCIES

The Association receives grants that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Association, such disallowances, if any, will not be significant.

NOTE L - ECONOMIC DEPENDENCY

The Association receives a major portion of its revenue from government grants. The management of the Association is of the opinion that the grants will continue to be funded but feel they would be able to operate for a period of three months even if all the funding sources were not available.

NOTE M - RISK MANAGEMENT

The Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Association purchases liability, medical and disability insurance through a commercial insurance carrier. Workers compensation insurance is maintained through the state insurance fund.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Association's insurance coverage.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2012

NOTE N - FUND BALANCE

As of September 30, 2012, fund balances of the governmental funds are classified as follows:

Non-Spendable - includes balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. As of September 30, 2012, prepaid expenses have been classified as non-spendable fund balance.

Restricted For - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. As of September 30, 2012, there are no balances that should be classified as restricted for fund balance.

Committed To - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end. The Board of Directors is the highest level of decision making authority for the Association. Commitments may be established through resolutions approved by the Board of Directors. By way of board resolution, balances for set-aside for potential 20% rescission of federal aid funds, and set-aside for *Communities in Motion* implementation program have been classified as committed to fund balance.

Assigned To - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the finance committee or executive director. As of September 30, 2012, balances for local match requirements, completion of intelligent transportation systems analysis for program number 842, purchase of a replacement vehicle, and set-aside for future orthophotography costs have been classified as assigned to fund balance.

Unassigned - includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Association considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Association considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors or the finance committee has provided otherwise in its commitment or assignment actions.

REQUIRED SUPPLEMENTARY INFORMATION

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Membership dues	\$ 846,456	\$ 846,456	\$ 846,456	\$ 0
Operating grants	2,198,029	2,417,852	2,238,039	(179,813)
Contract revenue	87,968	191,081	49,838	(141,243)
Other revenue	<u>1,282,819</u>	<u>1,375,167</u>	<u>10,067</u>	<u>(1,365,100)</u>
Total Revenue	<u>\$ 4,415,272</u>	<u>\$ 4,830,556</u>	<u>\$ 3,144,400</u>	<u>\$ (1,686,156)</u>
EXPENDITURES				
Salary and fringe benefits	\$ 1,578,659	\$ 1,598,159	\$ 1,537,585	\$ (60,574)
Professional service expenditures	404,500	1,233,644	945,105	(288,539)
Other direct expenditures	1,139,313	596,371	182,112	(414,259)
Indirect expenditures	255,800	313,927	264,869	(49,058)
Capital outlay	<u>1,037,000</u>	<u>1,088,455</u>	<u>1,041,912</u>	<u>(46,543)</u>
Total Expenditures	<u>\$ 4,415,272</u>	<u>\$ 4,830,556</u>	<u>\$ 3,971,583</u>	<u>\$ (858,973)</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (827,183)</u>	<u>\$ (827,183)</u>

FEDERAL REPORTS



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**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 Directors
Community Planning Association of Southwest Idaho
Meridian, Idaho

We have audited the financial statements of the governmental activities and each major fund of Community Planning Association of Southwest Idaho as of as of and for the year ended September 30, 2012, which collectively comprise the Community Planning Association of Southwest Idaho's basic financial statements and have issued our report thereon dated December 13, 2012. 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.

Internal Control Over Financial Reporting

Management of Community Planning Association of Southwest Idaho, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Community Planning Association of Southwest Idaho's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Planning Association of Southwest Idaho's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Planning Association of Southwest Idaho's financial statements are free of 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*.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harris & Co. PLLC

Meridian, Idaho
December 13, 2012

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2012

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation:			
Federal Highway Administration Pass through from State of Idaho Surface Transportation Programs	20.205	Key # 9827, 12061, 12371	\$ 863,280
Federal Highway Administration Pass through from State of Idaho Consolidated Planning Grant	20.205	Key # 11191, 11199	<u>1,249,561</u>
Total U.S. Department of Transportation			<u>2,112,841</u>
Total Federal Expenditures			<u>\$ 2,112,841</u>

See notes to schedule of expenditures of federal awards.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

For the Year Ended September 30, 2012

NOTE A – BASIS OF PRESENTATION

This accompanying schedule of expenditures of federal awards include the federal grant activity of the Association under program of the federal government for the year ended September 30, 2012. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*. Because this schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows to the Association.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the costs principals contained in the OMB Circular A-87, *Cost Principals for State, Local and Indian Tribal Governments*, wherein certain types of expenditure are not allowable or are limited to reimbursement.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Directors
Community Planning Association of Southwest Idaho
Meridian, Idaho

Compliance

We have audited Community Planning Association of Southwest Idaho's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Community Planning Association of Southwest Idaho's major federal programs for the year ended September 30, 2012. Community Planning Association of Southwest Idaho's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Community Planning Association of Southwest Idaho's management. Our responsibility is to express an opinion on Community Planning Association of Southwest Idaho's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Planning Association of Southwest Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Community Planning Association of Southwest Idaho's compliance with those requirements.

In our opinion, Community Planning Association of Southwest Idaho complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of Community Planning Association of Southwest Idaho is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Community Planning Association of Southwest Idaho's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Planning Association of Southwest Idaho's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harris & Co. PLLC

Meridian, Idaho
December 13, 2012

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2012

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditors' report issued:		Unqualified	
Internal control over financial reporting:			
• Material weakness identified?	_____ yes	<u> X </u> no	
• Reportable condition identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> none reported	
Noncompliance material to the financial statements noted?	_____ yes	<u> X </u> no	

Federal Awards:

Internal control over major programs:			
• Material weakness identified?	_____ yes	<u> X </u> no	
• Reportable condition identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> none reported	
Type of auditors' report issued on compliance for major programs:		Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_____ yes	<u> X </u> no	

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Construction
20.205	Transit Cross-Cutting Section

Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as a low-risk auditee?	<u> X </u> yes _____ no

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings related to the federal awards were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2012

There were no prior audit findings.