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COMPASS

COMMUNITY PLANNING ASSOCIATION
of Southwest Idaho

FINANCIAL STATEMENTS September 30, 2008

Report Number 05-2009

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Community Planning Association of Southwest Idaho
Boise, 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, 2008, 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 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 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 opinions.

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, 2008, and the respective changes in financial position for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 15, 2009, on our consideration of Community Planning Association of Southwest Idaho's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, 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 the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Community Planning Association of Southwest Idaho's basic financial statements. The introductory section and the budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 basic financial statements. The budgetary comparison schedule and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Crandall Swenson, Gleason & Wadsworth, Chtd.

**Crandall, Swenson, Gleason & Wadsworth, Chtd.
Boise, Idaho
January 15, 2009**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2008.

FINANCIAL HIGHLIGHTS

- The assets of the Community Planning Association of Southwest Idaho exceeded its liabilities at September 30, 2008 by \$1,463,541. Of this amount, \$1,055,412 has been designated for specific future use as identified on page 10.
- As of September 30, 2008, the Community Planning Association of Southwest Idaho's governmental funds reported an ending fund balance of \$1,461,163. Of this amount, \$1,055,412 has been designated for specific future uses.
- The Community Planning Association of Southwest Idaho recorded \$3,049,606 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 three components:

- 1) Government-wide financial statements
- 2) Fund 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 (i.e.: earned but unused employee vacation leave).

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.

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 governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental 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.

SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Community Planning Association of Southwest Idaho.

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 \$1,463,541 at September 30, 2008, as shown in Table A-1.

Table A-1

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
 Net Assets
 September 30, 2008 and 2007

	Governmental Activities <u>FY2008</u>	Governmental Activities <u>FY2007</u>
Current and Other Assets	\$1,708,317	\$1,829,602
Capital Assets	70,401	81,495
Total Assets	<u>1,778,718</u>	<u>1,911,097</u>
Long-Term Liabilities Outstanding	\$68,023	\$63,325
Other Liabilities	247,154	512,468
Total Liabilities	<u>315,177</u>	<u>575,793</u>
Total Net Assets	<u><u>\$1,463,541</u></u>	<u><u>\$1,335,304</u></u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$70,401	\$81,495
Unrestricted	<u>1,393,140</u>	<u>1,253,809</u>
Total Net Assets	<u><u>\$1,463,541</u></u>	<u><u>\$1,335,304</u></u>

The overall decrease in "Current and Other Assts" is due to lower cash and cash equivalents, an increase in the building fund, a reduction in accounts receivable, and an increase in prepaid expenses. The decrease in cash and cash equivalents from the prior year is approximately \$203,000 and is due to cash paid out to complete the Orthophotography project that was carried over from fiscal year 2007. Over the course of the current fiscal year the building fund increased by approximately \$197,000 which includes additional deposits and accrued interest. The decrease in accounts receivable from the prior year amount is approximately \$141,000. Prepaid expenses increased by approximately \$23,000.

The decrease in "Capital Assets" is due primarily to the disposal of outdated computer equipment. Much of this equipment has been replaced with newer and less expensive items.

The increase in "Long-Term Liabilities Outstanding" is due to an increase in accrued vacation.

The decrease in "Other Liabilities" is due primarily to a lower amount of accounts payable due to completed projects and timely invoice submittals from contractors.

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

**COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
Changes in Net Assets
Year Ending September 30, 2008 and 2007**

	Governmental Activities FY2008	Governmental Activities FY2007
Revenues:		
Program Revenues		
Operating Grants	\$3,049,606	\$2,788,093
Other Program Revenue	142,131	419,967
General Revenues		
Membership Dues	906,166	879,270
Other Revenue	31,243	41,842
	<hr/>	<hr/>
Total Revenues	\$4,129,146	\$4,129,172
Expenses:		
Planning Activities	<hr/> \$4,000,909	<hr/> \$3,815,700
Total Expenses	<hr/> 4,000,909	<hr/> 3,815,700
Change in Net Assets	128,237	313,472
Net Assets - Beginning	<hr/> 1,335,304	<hr/> 1,021,832
Net Assets - Ending	<hr/> \$1,463,541	<hr/> \$1,335,304

Net assets for The Community Planning Association of Southwest Idaho increased by \$128,237 over the course of the year. This increase includes unexpended membership dues that are designated to be expended in a future period.

"Operating Grants" revenue was higher in FY2008 as more work was performed on the special study projects.

"Other Program revenue" was lower in FY2008 as the Orthophotography project was completed in FY2007 and no additional revenue was collected. Additionally, these revenues were lower due to reduced requests for maps and data information.

The increase in "Membership Dues" revenue is due to a population increase.

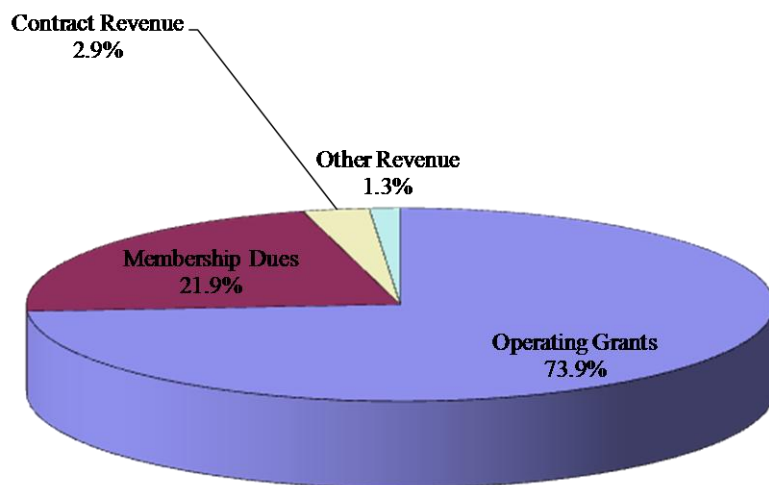
"Other Revenue" was lower in FY2008 due to a declining rate of interest on interest bearing accounts.

"Planning Activities" expenses were higher in FY2008 primarily due to an increase in work performed on professional service contracts.

Government 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:

**COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
REVENUE BY SOURCE
FOR THE YEAR ENDED SEPTEMBER 30, 2008**



Operating grants are received primarily from two sources:

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

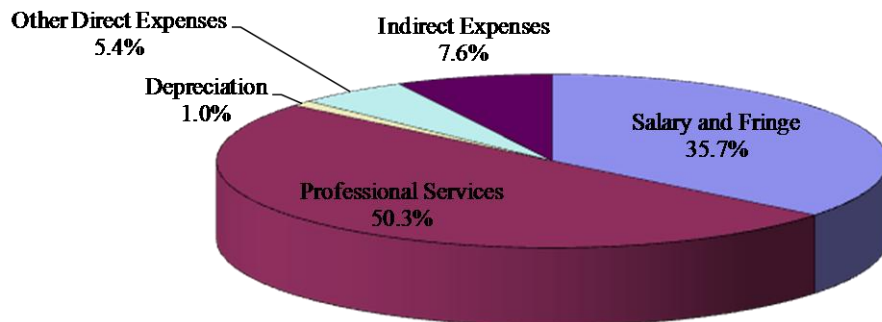
The Community Planning Association Board of Directors assesses membership dues annually. In August 2008 Notus-Parma Highway District #2 withdrew their membership with COMPASS leaving a \$6,264 shortfall in assessed member dues. The primary source of "Contract Revenue" is from matching funds paid to COMPASS by the Idaho Transportation Department for the US 20/26 corridor study and the SH44 corridor study.

"Other Revenue" includes interest income, sales of maps, geographic information systems data, and digital orthophotographs.

Government Activities - Expenses

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

**COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
EXPENSE BY CATEGORY
FOR THE YEAR ENDED SEPTEMBER 30, 2008**



The largest expense category in FY2008 was Professional Services. US 20/26 corridor study, and SH44 corridor study accounted for 65.3% of total Professional Services expense.

The second largest expense category in FY2008 was Salary and Fringe. The staff of Community Planning Association of Southwest Idaho is comprised of nineteen full-time employees including directors, planners and operations staff.

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.

There are four designations of the fund balances that should be noted:

- A designation in the amount of \$243,352 was made in the Community Planning Association of Southwest Idaho's FY2009 Unified Planning Work Program and Budget (UPWP) - Revision 1, to cover a potential twenty percent rescission of FY2009 federal-aid funds.
- A designation in the amount of \$21,594 was made in the Community Planning Association of Southwest Idaho's FY2009 UPWP - Revision 1, to cover local match requirements of carry-over operating grants.
- A designation in the amount of \$93,155 was made to help fund future Orthophotography projects. The Community Planning Association of Southwest Idaho Board of Directors approved Resolution No. 05-2005, providing for the designation of Orthophotography receipts received in excess of costs for this purpose.
- A designation in the amount of \$697,311 was made to help fund the future purchase of a building and property for COMPASS operations.

General Fund Budgetary Highlights

Budget development begins with the assistance of the Regional Technical Assistance 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 both the Finance Committee and the Board of Directors for approval.

With these adjustments, actual expenditures were 59.1% of the revised budget amounts. The most significant variance is for "Professional Service Expenditures" (\$2,381,436) and is primarily due to delays with the State Highway 44 Corridor Preservation Study and the US 20/26 Corridor Preservation Study. As a result, "Operating Grants" revenue (\$2,301,508) and "Contract Revenue" (\$135,067) are also under budget because grants are billed only after the expenditure has occurred.

The favorable budget variance in "Salary and Fringe Benefits" (\$62,696) is due to staff vacancies, fringe benefit savings, and unspent contingency dollars.

The favorable budget variance in "Other Direct Expenditures" is due to under expenditures in the categories of travel and education, printing, other, public involvement, legal, and the increase in building fund.

The favorable budget variance in "Indirect Expenditures" is due primarily to budget savings for equipment lease, machine repair and maintenance, travel and education, and legal and professional services.

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, 2008 amounts to \$70,401 (net of accumulated depreciation). This investment in capital assets includes office furniture, office equipment, computer equipment and vehicles.

The investment in capital assets increased \$29,517 during the fiscal year.

Major capital additions for the year include:

- Replace computer equipment, \$15,514
- Upgrade phone system, \$5,432
- Upgrade Software, \$5,255

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 2009 budget, including funding from federal agencies and program requests from member agencies.

The following revenue assumptions were taken into account when adopting the FY2009 Unified Planning Work Program and Budget:

- Membership dues were increased to \$1.54 per person in the regional population. This, along with an estimated population increase, resulted in a 6.5% increase in budgeted membership dues revenue.
- The Consolidated Planning Grant was adjusted to estimates provided by the Idaho Transportation Department.
- The Board approved a five year strategy to phase out the use of Surface Transportation Program funds for general operations. In FY2009, STP funds were reduced by 20% from FY2008 levels. FY2009 is the last year of the phase out period.

The Community Planning Association of Southwest Idaho continues to rely on federal grants to fund its programs. Due to various factors, there is some discussion that congress will implement a twenty percent rescission of federal-aid-highway funds that will affect FY2009. To accommodate for this potential reduction in revenue a set-aside of \$243,352 was made in revision one of the FY2009 Unified Planning Work Program and Budget. It could be well into FY2009 before it is known whether or not a rescission will occur.

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
800 South Industry Way, Ste 100
Meridian, ID 83642

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

Government-Wide
Statement of Net Assets
September 30, 2008

	<u>Primary Government Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 93,445
Board Designated Cash & Cash Equivalents	358,101
Receivables	533,040
Prepaid Expenses	26,420
TOTAL CURRENT ASSETS	<u>1,011,006</u>
NONCURRENT ASSETS	
Board Designated Cash & Cash Equivalents - Building Fund	697,311
Fixed Assets-Net of Accumulated Depreciation	70,401
TOTAL ASSETS	<u><u>\$ 1,778,718</u></u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	\$ 188,895
Accrued Liabilities	58,259
Accrued Compensated Absenses	68,023
TOTAL CURRENT LIABILITIES	<u>315,177</u>
TOTAL LIABILITIES	<u>315,177</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	70,401
Unrestricted	1,393,140
TOTAL NET ASSETS	<u>1,463,541</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,778,718</u></u>

See accompanying notes

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

Government-Wide
Statement of Activities
For the Year Ended September 30, 2008

Planning Activities:	
Salary and Fringe Benefits	\$ 1,429,666
Professional Service Expense	2,014,170
Depreciation Expense	40,348
Other Direct Expense	214,287
Indirect Expense	<u>302,438</u>
Total Program Expenses	4,000,909
Program Revenues:	
Operating Grants	3,049,606
Contract Revenue	118,471
Other Revenue	<u>23,660</u>
Net Program Expenses	<u>(809,172)</u>
General Revenues:	
Membership Dues	906,166
Other Revenue	<u>31,243</u>
Total General Revenues	937,409
Increase in Net Assets	128,237
Net Assets - Beginning	<u>1,335,304</u>
Net Assets Ending	<u>\$ 1,463,541</u>

See accompanying notes

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

**Governmental Funds
Balance Sheet
September 30, 2008**

	General and Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 93,445
Board Designated Cash & Cash Equivalents	1,055,412
Receivables	533,040
Prepaid Expenses	26,420
TOTAL ASSETS	<u><u>\$ 1,708,317</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ 188,895
Accrued Liabilities	58,259
Total Liabilities	<u>247,154</u>
Fund Balances:	
Unreserved	405,751
Unreserved, designated for:	
Set-Aside for Potential 20% Grant Rescission	243,352
Local dollars for FY2009 expenses	21,594
Orthophotography	93,155
Building Fund	697,311
Total Fund Balances	<u>1,461,163</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,708,317</u></u>

See accompanying notes

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
September 30, 2008

Fund Balance - Total Governmental Funds **\$ 1,461,163**

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. 70,401

Accrued Compensated Absences are not due and payable in the current period and, therefore, are not reported in the funds. (68,023)

Net Assets of Governmental Activities: \$ 1,463,541

See accompanying notes

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2008

	General and Total Governmental Funds
REVENUES	
Membership Dues	\$ 906,166
Operating Grants	3,049,606
Contract Revenue	118,471
Other Revenue	54,903
TOTAL REVENUES	\$ 4,129,146
EXPENDITURES	
Current:	
Salary and Fringe Benefits	\$ 1,424,968
Professional Service Expenditures	2,014,170
Other Direct Expenditures	214,287
Indirect Expenditures	302,175
Capital Outlay	29,517
TOTAL EXPENDITURES	3,985,117
EXCESS OF REVENUES OVER EXPENDITURES	144,029
NET CHANGE IN FUND BALANCES	144,029
FUND BALANCE AT BEGINNING OF YEAR	1,317,134
FUND BALANCE AT END OF YEAR	\$ 1,461,163

See accompanying notes

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2008

Net Change in Fund Balances - Total Governmental Funds	\$	144,029
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

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 depreciation expense of \$40,348 exceeded capital outlays of \$29,517 in the current period.		(10,831)
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In the statement of activities, the gain (loss) on the sale of equipment is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the equipment sold.		(263)
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An increase in the value of accrued vacation is not a reduction to current financial resources and, therefore, is not reported as an increase in expenditures of governmental funds.		(4,698)
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Change in Net Assets of Governmental Activities	\$	<u>128,237</u>
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See accompanying notes

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Community Planning Association 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	City of Middleton
Ada County Highway District	City of Nampa
Canyon County	City of Notus
City of Boise	City of Parma
City of Caldwell	City of Star
City of Eagle	Canyon Highway District #4
City of Garden City	Golden Gate Highway District #3
City of Kuna	Nampa Highway District #1
City of Meridian	

Special purpose members:

Boise State University
Capital City Development Corporation
Idaho Department of Environmental Quality
Idaho Transportation Department
Independent School District of Boise City
Joint School District #2
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

For financial reporting purposes, in conformity with GASB Statement Nos. 14 and 39, the financial statements for the Association include all organizations for which the Association is financially accountable, and other organizations for which the nature and significance of their relationships with the Association are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Association contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI). The System is administered by the

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

State of Idaho and the Association is not the major participant in the plan, therefore, the plan financial statements are not included in this report.

Basis of Presentation

The Association is accounted for as a special-purpose government engaged in a single governmental program. The 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.

Separate financial statements are provided for governmental funds. 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.

Measurement Focus and Basis of Accounting

Government-wide statements. The government-wide statements are reported using the economic resources measurement focus. The governmental-wide financial statements are reported using 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.

Governmental Fund Financial Statement. Governmental funds are 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 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
September 30, 2008

Budgets and Budgetary Accounting

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

1. Prior to July 30, 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 FY2008 budget was approved on August 20, 2007, and a final amendment was approved on July 21, 2008.

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).

Fixed 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.

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:

- Leasehold Improvements	5-10 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.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

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.

Pension Plan

The Association participated in the Public Employees Retirement System of Idaho. Funding contributions by the Community Planning Association of Southwest Idaho are determined at 10.39% of total salaries.

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 for possible future expenditures of local match dollars, Orthophotography, construction or asset acquisition, and to cover a potential twenty percent rescission of FY2009 federal-aid funds.

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, certificates of deposit, and the State of Idaho Local Government Investment Pool.

NOTE B - GRANTS RECEIVABLE

Grants receivable at September 30, 2008, 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
September 30, 2008

NOTE C - FIXED ASSETS

A summary of changes in general fixed assets follows:

	Furniture Fixtures and <u>Equipment</u>	Accumulated <u>Depreciation</u>	<u>Net</u>
Balance at Beginning of Year	\$ 454,015	\$ (372,520)	\$ 81,495
Additions	29,517	(40,348)	(10,831)
Deletions	(18,548)	18,285	(263)
Balance at End of Year	<u>\$ 464,984</u>	<u>\$ (394,583)</u>	<u>\$ 70,401</u>

NOTE D - PENSION PLAN

Public Employee Retirement System of Idaho - 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 Community Planning Association of Southwest Idaho and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2008, 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 Community Planning Association of Southwest Idaho contributions required and paid were \$176,559, \$175,135, and \$154,419 for the three years ended September 30, 2008, 2007, and 2006 respectively.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE E - LEASES

The Association leases, under an operating lease, a Xerox color copier/scanner/printer. The lease has a sixty (60) month term and ends December, 2009.

The Association leases, under an operating lease, a portion of a building. The lease provides for early termination should federal and/or other funding for continuation of tenant's activities be terminated or reduced by 40% or more. The right of the tenant to terminate the lease is conditioned upon the tenant delivering to the owner written notice of such election at least 90 days prior to the October 1st termination date. If early termination is elected, the tenant shall pay to the owner an amount equal to the brokerage commission paid by the owner relating to the portion of the initial term following the date of early termination. The lease term expires on August 31, 2011.

Future minimum lease payments under the capital lease, the present value of net minimum lease payments under the capital lease, and minimum lease payments under operating leases at September 30, 2008, are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Operating</u> <u>Lease</u>
2009	\$112,791
2010	112,187
2011	91,193
Thereafter	<u>0</u>
Total Minimum Lease Payments	<u><u>\$316,171</u></u>

Rent expense for the year ended September 30, 2008, was \$106,768.

NOTE F - DEPOSITS AND CASH EQUIVALENTS

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</u> <u>Amount</u>	<u>Bank</u> <u>Balance</u>	<u>Fund</u>
Federally insured	\$(6,374)	\$ 18,506	General
Collateralized	-	-	General
Uncollateralized	-	-	General
Uncategorized*	<u>1,155,231</u>	<u>1,155,231</u>	General
	\$ <u>1,148,857</u>	\$ <u>1,173,737</u>	

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

*These amounts are invested with the State of Idaho Local Government Investment Pool and are not subject to classification as to category of credit risk by GASB Codification Section I50.129 due to its nature.

NOTE G - 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.

NOTE H - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Association for the year ended September 30, 2008:

	Long-Term Obligations at Oct. 1, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Long Term Obligations at Sept. 30, <u>2008</u>
General - long-term obligations account group				
Compensated absences	\$ 63,325	\$4,698	\$ -	\$ 68,023
Capital Lease	-	-	-	-
	<u>\$ 63,325</u>	<u>\$4,698</u>	<u>\$ -</u>	<u>\$ 68,023</u>

\$68,023 is the estimated amount to be used in FY 2009.

NOTE I - 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 J - 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 even if all the funding sources were not available.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE K - 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 L - 401(k) PLAN

All employees of the Association that are also an active member of the PERSI pension plan, see Note D, 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 M - RISK MANAGEMENT

The Association purchases liability, medical and disability insurance through a commercial insurance carrier. Workers compensation insurance is maintained through the State Insurance Fund.

SUPPLEMENTARY INFORMATION

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2008

	Budgeted Amounts-GAAP Basis		Actual GAAP Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Membership Dues	\$ 912,430	\$ 912,430	\$ 906,166	\$ (6,264)
Operating Grants	3,373,625	5,351,114	3,049,606	(2,301,508)
Contract Revenue	146,140	253,538	118,471	(135,067)
Other Revenue	137,150	226,250	54,903	(171,347)
TOTAL REVENUES	\$ 4,569,345	\$ 6,743,332	\$ 4,129,146	\$ (2,614,186)
EXPENDITURES				
Current:				
Salary and Fringe Benefits	\$ 1,519,008	\$ 1,487,664	\$ 1,424,968	\$ 62,696
Professional Service Expenditures	2,275,043	4,395,606	2,014,170	2,381,436
Pass Through Planning Grants	-	-	-	-
Other Direct Expenditures	417,294	502,062	214,287	287,775
Indirect Expenditures	328,000	328,000	302,175	25,825
Capital Outlay	30,000	30,000	29,517	483
TOTAL EXPENDITURES	\$ 4,569,345	\$ 6,743,332	\$ 3,985,117	\$ 2,758,215
Unprogrammed Revenue STP-TMA	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ -	\$ -	\$ 144,029	\$ (144,029)

See accompanying notes

SINGLE AUDIT

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2008

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U. S. Department of Transportation:</u>			
Federal Highway Administration Passed through from State of Idaho Surface Transportation Programs	20.205	Key #7826, 7827, 8960 9198, 9204, 9601, 9825 9826	\$1,965,415 *
Federal Transit Administration Passed through from State of Idaho Consolidated Planning Grant	20.507	Key #10683, 10688	1,073,875 *
Passed through from Association of Metropolitan Planning Organizations (AMPO) Consolidated Planning Grant	20.507	AMPO-FTA Grant	10,316 *
Total U. S. Department of Transportation			\$3,049,606

*Denotes major program

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is a summary of the activity of the Community Planning Association of Southwest Idaho's federal award programs presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CRANDALL, SWENSON, GLEASON & WADSWORTH, CHTD.

Certified Public Accountants

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COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**Board of Directors
Community Planning Association of Southwest Idaho
Boise, Idaho**

We have audited the financial statements of governmental activities and each major fund of Community Planning Association of Southwest Idaho as of and for the year ended September 30, 2008, which collectively comprise the Community Planning Association of Southwest Idaho's basic financial statements and have issued our report thereon dated January 15, 2009. 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

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Planning Association of Southwest Idaho's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Community Planning Association of Southwest Idaho's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Community Planning Association of Southwest Idaho's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Community Planning Association of Southwest Idaho's financial statements

that is more than inconsequential will not be prevented or detected by the Community Planning Association of Southwest Idaho's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Community Planning Association of Southwest Idaho's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, the audit committee, City Council, 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

Crandall Swenson, Gleason & Wadsworth, Chtd.

**Crandall, Swenson, Gleason & Wadsworth, Chtd.
Boise, Idaho
January 15, 2009**

CRANDALL, SWENSON, GLEASON & WADSWORTH, CHTD.

Certified Public Accountants

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COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**Board of Directors
Community Planning Association of Southwest Idaho
Boise, Idaho**

Compliance

We have audited the compliance of Community Planning Association of Southwest Idaho with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. Community Planning Association of Southwest Idaho's major federal programs are identified in the summary of auditor's result 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 on 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, 2008.

Internal Control Over Compliance

The management of Community Planning Association of Southwest Idaho is responsible for establishing and maintaining effective internal control over compliance with 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 the Board of Directors, management, others within the organization, 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.

Crandall Swenson, Gleason & Wadsworth, Chtd.

Crandall, Swenson, Gleason & Wadsworth, Chtd.
Boise, Idaho
January 15, 2009

**COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2008**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of audit report issued:	Unqualified
Internal control over financial reporting:	
Material weakness over financial reporting?	No
Significant Deficiency identified not considered a material weakness?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal Control over major programs:	
Material weakness identified?	No
Reportable conditions identified not considered a material weakness?	None reported
Type of audit report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No

Identification of major programs:

CFDA Numbers	Name of Federal Program of Cluster
20.205	Federal Highway Administration
20.507	Federal Transit Administration

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings, no matters are reported.

SECTION III - FEDERAL AWARD FINDING AND QUESTIONED COSTS

There were no findings, no matters are reported.