



COMPASS
COMMUNITY PLANNING ASSOCIATION
of Southwest Idaho

Working together to plan for the future

Financial Statements

Report Number: 05-2016

Report Date: December 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Community Planning Association of Southwest Idaho, as of September 30, 2015, 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.

Other Matters

Required Supplementary Information

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 16 and page 40 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on financial statements that collectively comprise Community Planning Association of Southwest Idaho's 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 schedule of federal expenditures is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our

opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of 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* in considering Community Planning Association of Southwest Idaho's internal control over financial reporting and compliance.

Harris & Co. PLLC

Meridian, Idaho
December 10, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

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, 2015.

FINANCIAL HIGHLIGHTS

- The assets of Community Planning Association of Southwest Idaho exceeded its liabilities at September 30, 2015 by \$1,847,864. Of this amount, \$199,039 has been designated for specific future use as identified on page 13.
- As of September 30, 2015, Community Planning Association of Southwest Idaho's governmental funds reported an ending fund balance of \$1,318,964 and as noted above, \$199,039 has been designated for specific future uses.
- Community Planning Association of Southwest Idaho recorded revenues of \$1,777,656 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
- 4) 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 position. Over time, increases or decreases in assets may serve as a useful indicator of whether the financial position of the agency is improving or deteriorating.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

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 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. Community Planning Association of Southwest Idaho uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following condensed financial information was derived from the government-wide Statement of Net Position. As noted earlier, increases or decreases in 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 \$1,847,864 at September 30, 2015, as shown in Table A-1.

Table A-1

	Governmental Activities <u>FY2015</u>	Governmental Activities <u>FY2014</u>
Current and Other Assets	\$ 1,639,420	\$ 1,599,420
Capital Assets	1,168,843	1,082,174
Total Assets	<u>2,808,263</u>	<u>2,681,594</u>
Deferred Outflows of Resources - Pensions	<u>261,951</u>	<u>60,140</u>
Other Liabilities	320,456	270,790
Net Pension Liability	548,259	291,221
Total Liabilities	<u>868,715</u>	<u>562,011</u>
Deferred Inflows of Resources - Pensions	<u>353,635</u>	<u>400,901</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	1,168,843	1,082,174
Unrestricted	679,021	696,648
	<u>\$ 1,847,864</u>	<u>\$ 1,778,822</u>

The overall increase in total assets is primarily due to the increase in cash and fixed assets while the increase in other liabilities is due to a larger accounts payable balance at the end of FY2015 compared to FY2014.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

GOVERNMENTAL ACTIVITIES

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

Table A-2

	Governmental Activities <u>FY2015</u>	Governmental Activities <u>FY2014</u>
Revenue		
Program Revenue		
Operating Grants	\$ 1,777,656	\$ 1,385,118
Membership Dues	847,474	847,155
Other Program Revenue	92,617	60,761
General Revenue		
Other Revenue	<u>5,938</u>	<u>8,195</u>
Total Program and General Revenue	2,723,685	2,301,229
Expenditures		
Transportaion Planning and Development	<u>2,654,643</u>	<u>2,365,620</u>
Change in Net Position	69,042	(64,391)
Net Position - Beginning	<u>1,778,822</u>	<u>1,843,213</u>
Fund Balance / Net Position - Ending	<u><u>\$ 1,847,864</u></u>	<u><u>\$ 1,778,822</u></u>

Over the course of the year, fund balance for Community Planning Association of Southwest Idaho decreased by \$9,666.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

Over the course of the year, net assets for Community Planning Association of Southwest Idaho increased by \$69,042.

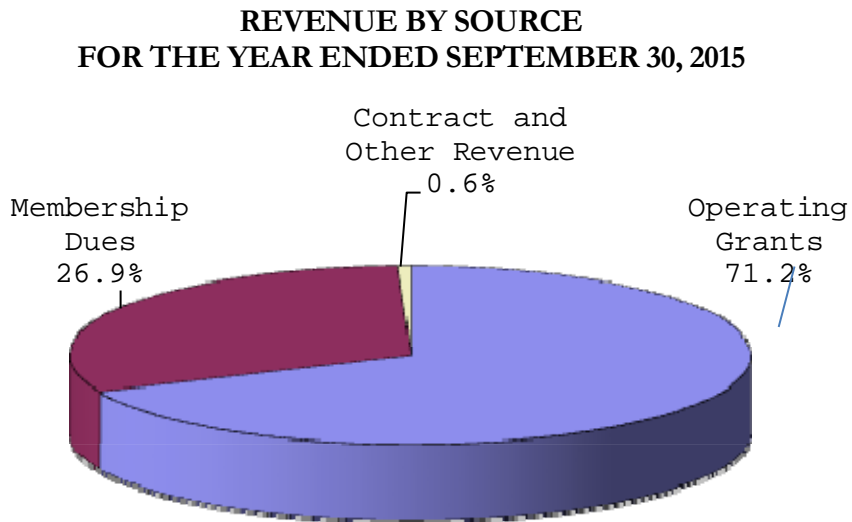
Revenues for operating grants are recognized when an allowable expenditure is made and billed to the Idaho Transportation Department. For FY2015, expenditures related to operating grants were 28% higher than FY2014 expenditures. Other program revenues were 52% higher than in FY2014.

Overall expenses for planning activities were 8% higher in FY2015 compared to FY2014. Expenses for planning activities can vary significantly from year to year, depending on the type of projects the Association undertakes.

Indirect costs were 8% lower in FY2015 compared to FY2014. While these costs were lower, they were within 9% of the budgeted amount for indirect costs.

GOVERNMENTAL ACTIVITIES - REVENUES

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
MANAGEMENT'S DISCUSSION AND ANALYSIS**

September 30, 2015

Operating grants revenues are received primarily from two sources:

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

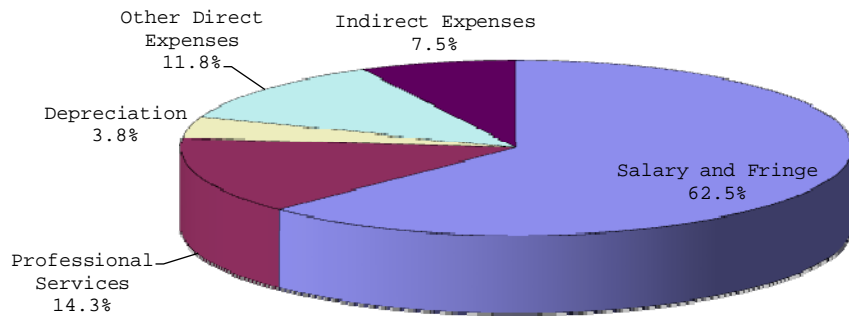
Community Planning Association Board of Directors assesses membership dues annually.

Other revenue includes interest income, sales of maps, geographic information systems data, modeling revenue, and other miscellaneous revenue.

GOVERNMENTAL ACTIVITIES - EXPENSES

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

**EXPENSE BY CATEGORY
FOR THE YEAR ENDED SEPTEMBER 30, 2015**



COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

The largest expense category in FY2015 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 FY2015 was professional services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, 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:

\$ 10,910 Prepaid expenses

Assigned To:

\$ 48,129 CIM Implementation Grant Program

\$ 140,000 Future Orthophotography costs

Unassigned:

\$ 1,119,925

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, Community Planning Association of Southwest Idaho revised the unified planning work program and budget three times.

Budget adjustments are completed to incorporate funding sources, to add carry-over funds from the prior year budget, to 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 73% of the revised budget amount.

Salaries and fringe expense ended the year approximately \$79,000 below budget. This variance is attributable primarily to savings in health care benefits.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

Direct expense budget ended the year with approximately \$979,000 in positive variance. \$200,000 of this was for an update to the household travel survey which was later determined to be unnecessary. \$225,000 was for costs to be incurred beyond FY2015. \$372,000 was for projects that were delayed for various reasons but are expected to be completed in FY2016. The remaining \$182,000 is due to cost savings.

Indirect expenses ended the year with approximately \$18,700 of positive variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Community Planning Association of Southwest Idaho's investment in capital assets for governmental activities as of September 30, 2015 amounts to \$1,168,843 (net of accumulated depreciation). This investment in capital assets includes office equipment, office furniture, software, vehicles, and buildings and improvements.

The investment in capital assets increased \$86,669 during the fiscal year. Major capital additions for the year include:

- Permanent & portable counters, \$123,943
- Replacement of computer equipment, \$3,771
- Software updates, \$60,000

Debt Administration

At year-end Community Planning Association of Southwest Idaho had no long term debt obligations.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Community Planning Association of Southwest Idaho considered many factors when setting the FY2016 budget, including funding from federal agencies and program requests from member agencies.

The following revenue assumptions were taken into account when adopting the FY2016 Unified Planning Work Program:

- Total member dues increased from FY2015 levels. While the per-capita rate remained the same, the increase was due to increased population growth.
- \$1,169,259 is budgeted for Consolidated Planning Grant funds and reflects the amount scheduled in the Regional Transportation Improvement Program.

Community Planning Association of Southwest Idaho continues to rely on federal grants that are provided as pass through funds from the Idaho Transportation Department. On December 1, 2015, congressional leaders reached agreement on a 5-year transportation bill called 'Fixing America's Surface Transportation Act' (FAST Act). After passing the House and the Senate chambers the President signed this act into law on December 4, 2015. The association will be closely monitoring this new FAST Act to determine how it might affect our funding opportunities.

The Association continues to closely monitor federal funding issues and their potential impact on the Association.

GASB STATEMENT No. 68 – NET PENSION LIABILITY

In accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), Community Planning Association of Southwest Idaho has implemented the reporting of its share of the Public Employee Retirement System of Idaho (PERSI) net pension liability. In past years unfunded pension liabilities were disclosed as a part of PERSI's Comprehensive Annual Financial Report. GASB 68 now requires each entity that participates in PERSI to report its share of the net pension liability on their own financial statements.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

Requests for Information

This financial report is designed to provide a general overview of 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 ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended September 30, 2015

	<u>General Fund</u>	<u>Adjustments Note C</u>	<u>Statement of Activities</u>
EXPENDITURES			
Transportation Planning and Development			
Salary and fringe benefits	\$ 1,653,148	\$ 7,961	\$ 1,661,109
Professional service expenditures	379,622		379,622
Other direct expenditures	313,486		313,486
Indirect expenditures	<u>199,381</u>		<u>199,381</u>
Total Transportation Planning and Development	2,545,637		2,553,598
Depreciation expense		101,045	101,045
Capital outlay	<u>187,714</u>	(187,714)	<u>0</u>
Total Expenditures	2,733,351		2,654,643
REVENUE			
Program Revenues			
Membership dues	847,474		847,474
Operating grants	1,777,656		1,777,656
Program revenue-other	<u>92,617</u>		<u>92,617</u>
Total program revenue	2,717,747		2,717,747
General revenue			
Earnings on investments and other income	<u>5,938</u>		<u>5,938</u>
Total Revenue	<u>2,723,685</u>		<u>2,723,685</u>
Excess of Expenditures Over Revenue	(9,666)		
Change in Net Position			69,042
FUND BALANCE/ NET POSITION			
Beginning of Year	1,328,630		2,410,804
Prior period adjustment	<u> </u>		<u>(631,982)</u>
End of Year	<u>\$ 1,318,964</u>		<u>\$ 1,847,864</u>

See notes to financial statements.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

Community Planning Association of Southwest Idaho (the 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
- City of Wilder

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

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 position 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) reports 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.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Association is accounted for as a special-purpose government engaged in a single governmental program. The combined statement of net position 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.

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 FY2015 budget was approved on August 18, 2014.
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.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows and inflows of resources. Deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future periods and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unavailable and Advanced Revenue

The Association reports unavailable and advanced revenues on its Statement of Net Position and Fund Balance Sheet. Advanced revenues arise when resources are received by the Association before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Association has a legal claim to the resources, the liability for advanced revenue is removed from the balance sheet and the revenue is recognized.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan’s fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE B - EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF NET POSITION 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	\$ 1,318,964
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds	1,168,843
Deferred Outflows of Resources - Pensions	261,951
Net Pension Liability	(548,259)
Deferred Inflows of Resources - Pensions	<u>(353,635)</u>
Net Position of Governmental Activities:	<u>\$ 1,847,864</u>

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

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	\$ (9,666)
Net Pension Revenue	(7,961)
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 \$187,714 exceeded depreciation expense of \$101,045 in the current period.	<u>86,669</u>
Change in Net Position of Governmental Activities	<u>\$ 69,042</u>

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.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

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

- 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, 2015 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. Idaho Central Credit Union – Business Premium Money Market Savings (federally insured)
4. Zions Bank –Municipal Money Market Fund (federally insured)
5. State of Idaho – Local Government Investment Pool (uncategorized)
6. Bank of the Cascades – Money Market Business (federally insured)
7. Sunwest Bank – MMDA account (federally insured)

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	\$ 897,396	\$ 898,427	General
Collateralized	251,376	251,376	General
Uncategorized	<u>250,124</u>	<u>250,124</u>	General
	<u>\$ 1,398,896</u>	<u>\$ 1,399,927</u>	

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 Local Government Investment Pool as of September 30, 2009 was AA Af. 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 have not changed.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

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

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, 2015 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, 2015, 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, 2015

NOTE F - FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance September 30, 2014	Additions	Deletions	Balance September 30, 2015
Office equipment, furniture, software, and vehicle	\$ 447,038	\$ 187,714	\$ 0	\$ 634,752
Building and improvements	<u>977,782</u>	<u>0</u>	<u>0</u>	<u>977,782</u>
Total Capital Assets	1,424,820	187,714	0	1,612,534
Accumulated depreciation	<u>(342,646)</u>	<u>(101,045)</u>	<u>0</u>	<u>(443,691)</u>
Net Capital Assets	<u>\$ 1,082,174</u>	<u>\$ 86,669</u>	<u>\$ 0</u>	<u>\$ 1,168,843</u>

NOTE G - PENSION PLAN

Plan Description

The Association contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Employee membership data related to the PERSI Base Plan, as of September 30, 2015 was as follows:

Retirees and beneficiaries currently receiving benefits	\$ 67,008
Terminated employees entitles to but not yet receiving benefits	11,859
Active plan members	<u>42,657</u>
	<u>\$ 121,524</u>

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE G - PENSION PLAN (Continued)

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2015 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% general employees and 11.66% for police and firefighters. The Association contributions were \$132,011 for the year ended September 30, 2015.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE G - PENSION PLAN (Continued)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the Association reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Association's proportion of the net pension liability was based on the Association's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, the Association's proportion was .000416345 percent.

For the year ended September 30, 2015, the Association recognized pension expense of \$109,254. At September 30, 2015 the Association reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of resources</u>	<u>Deferred Inflows of resources</u>
Differences between expected and actual expense	\$ 0	\$ 65,725
Changes in assumptions or other inputs	19,967	0
Net difference between projected and actual Earnings on pension plan investments	201,774	287,910
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	0	0
Community Planning Association of Southwest Idaho contributions subsequent to the measurement date	<u>40,210</u>	<u>0</u>
Total	<u>\$ 261,951</u>	<u>\$ 353,635</u>

\$40,210 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2015.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE G - PENSION PLAN (Continued)

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014 the beginning of the measurement period ended June 30, 2015 is 5.5 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2016	\$ (56,240)
2017	(56,240)
2018	(56,240)
2019	40,820
2020	(3,994)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.5 – 10.00%
Salary inflation	3.75%
Investment rate of return, net of investment expenses	7.10%
Cost-of-living adjustments	1.00%

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE G - PENSION PLAN (Continued)

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2015.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2015.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE G - PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Core Fixed Income	Barclays Aggregate	30%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55%	6.90%
Developed Foreign Equities	MSCI EAFE	15%	7.55%
Assumed Inflation – Mean			3.25%
Assumed Inflation – Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Long-Term Expected Rate of Return			7.50%
Less Assumed Investment Expense			<u>0.40%</u>
Long-term Expected Rate of Return, Net of Investment Expense			<u><u>7.10%</u></u>

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE G - PENSION PLAN (Continued)

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
Employer's proportionate share Of the net pension liability (asset)	\$ <u>1,335,359</u>	\$ <u>548,259</u>	\$ <u>(\$106,111)</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At September 30, 2015, the Association reported payables to the defined benefit pension plan of \$6,356 for legally required employer contributions and \$3,812 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE H - 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 I - 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 J - 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 K - 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.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE L - 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.

NOTE M - FUND BALANCE

As of September 30, 2015, 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, 2015, 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, 2015, 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. As of September 30, 2015, there are no balances that should be classified as restricted for 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, 2015, balances set aside for future grant implementation and orthophotography costs have been classified as assigned to fund balance.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

NOTE M - FUND BALANCE (Continued)

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, 2015

	<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	\$ 847,474	\$ 847,474	\$ 847,474	\$ 0
Operating grants	1,829,048	2,756,387	1,777,656	(978,731)
Contract revenue	64,350	82,500	82,495	(5)
Other revenue	<u>286,276</u>	<u>123,350</u>	<u>16,060</u>	<u>(107,290)</u>
Total Revenue	<u>\$ 3,027,148</u>	<u>\$ 3,809,711</u>	<u>\$ 2,723,685</u>	<u>\$ (1,086,026)</u>
EXPENDITURES				
Salary and fringe benefits	\$ 1,696,288	\$ 1,732,066	\$ 1,653,148	\$ (78,918)
Professional service expenditures	597,000	1,083,229	379,622	(703,607)
Other direct expenditures	318,025	436,073	313,486	(122,587)
Indirect expenditures	213,335	218,093	199,381	(18,712)
Capital outlay	<u>202,500</u>	<u>340,250</u>	<u>187,714</u>	<u>(152,536)</u>
Total Expenditures	<u>\$ 3,027,148</u>	<u>\$ 3,809,711</u>	<u>\$ 2,733,351</u>	<u>\$ (1,076,360)</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,666)</u>	<u>\$ (9,666)</u>

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY AND
EMPLOYER CONTRIBUTIONS**

For the Year Ended September 30, 2015

Schedule of Employer's Share of Net Pension Liability

PERSI – Base Plan

Last 10 – Fiscal Years *

2015

Employer's portion of net the pension liability	0.000416345%
Employer's proportionate share of the net pension liability	\$548,259
Employer's covered-employee payroll	\$1,204,256
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	45.52%
Plan fiduciary net position as a percentage of the total pension liability	91.38%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Community Planning Association of Southwest Idaho will present information for those use for which information is available.

Data reported is measured as of July 1, 2015 (measurement date)

Schedule of Employer Contributions

PERSI – Base Plan

Last 10 – Fiscal Years *

2015

Statutorily required contribution	\$136,187
Contributions in relation to the statutorily required contribution	\$133,746
Contribution (deficiency) excess	(\$2,441)
Employer's covered-employee payroll	\$1,204,256
Contributions as a percentage of covered-employee payroll	11.11%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Community Planning Association of Southwest Idaho will present information for those use for which information is available. Data is reported is measured as of September 30, 2015.

FEDERAL REPORTS



**INDEPENDENT AUDITORS' 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Community Planning Association of Southwest Idaho as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Community Planning Association of Southwest Idaho's basic financial statements, and have issued our report thereon dated December 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Planning Association of Southwest Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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. Accordingly, we do not express an opinion on the effectiveness of Community Planning Association of Southwest Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Planning Association of Southwest Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harris & Co. PLLC

Meridian, Idaho
December 10, 2015

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2015

<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 # 12373	\$ 145,329
Federal Highway Administration Pass through from State of Idaho Consolidated Planning Grant	20.205	Key # 12380, 12381	1,617,328
Federal Highway Administration Pass through from State of Idaho	20.200	Key # 19174	<u>15,000</u>
Total U.S. Department of Transportation			<u>1,777,657</u>
Total Federal Expenditures			<u>\$ 1,777,657</u>

See notes to schedule of expenditures of federal awards.

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2015

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, 2015. 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 Community Planning Association of Southwest Idaho, it is not intended to and does not present the financial position, changes in net assets, or cash flows to Community Planning Association of Southwest Idaho.

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.



Harris & Co. PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

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, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Planning Association of Southwest Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Community Planning Association of Southwest Idaho's compliance.

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Opinion on Each Major Federal Program

In our opinion, Community Planning Association of Southwest Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Planning Association of Southwest Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Harris & Co. PLLC

Meridian, Idaho
December 10, 2015

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2015

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 • Material weakness identified? _____ yes X no
 • Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
 Noncompliance material to the financial statements noted? _____ yes X no

Federal Awards:

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.205	Federal Highway Administration Pass through from State of Idaho Consolidated Planning Grant Highway Planning and Construction
20.205	Federal Highway Administration Pass through from State of Idaho Consolidated Planning Grant 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? X yes _____ no

COMMUNITY PLANNING ASSOCIATION OF SOUTHWEST IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended September 30, 2015

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, 2015

There were no prior audit findings.