IDAHO GRAPE GROWERS AND WINE PRODUCERS COMMISSION

Report on Audited
Basic
Financial Statements
and
Additional Information

For the Year Ended June 30, 2024

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Independent Auditor's Report

Board of Commissioners
Idaho Grape-Growers and Wine Producers Commission
Boise, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the fund information of Idaho Grape Growers and Wine Producers Commission (the Commission) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of the Idaho Grape Growers and Wine Producers Commission, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Commission's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through v and budgetary comparison information, schedule of the Commission's proportionate share of the net pension liability, and schedule of Commission contributions on pages 28 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2024, on our consideration of the Idaho Grape Growers and Wine Producers Commission'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 *Government Auditing Standards* in considering Idaho Grape Growers and Wine Producers Commission's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
September 27, 2024

IDAHO GRAPE GROWERS AND WINE PRODUCERS COMMISSION
Management's Discussion and Analysis

The Idaho Grape Growers and Wine Producers Commissions' Management Discussion and Analysis details the Commission's financial performance during the fiscal year ending on June 30, 2024. The focus of this discussion and analysis is on assisting the reader in grasping the significant financial issues and activities, as well as helping to identify the significant changes in the finances. Readers are encouraged to read this in conjunction with the Commission's financial statements that follow.

Financial Highlights

When comparing this year's financial record to last, there is a decrease of $72,516 in the Idaho Grape Growers and Wine Producers Commissions' net assets from $611,623 to $539,107.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements, which comprises the basic financial statements and supplemental information. The Idaho Wine Commission's financial statements are comprised of four components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to financial statements
4) Required Supplementary information

Basic Financial Statements

The statement of net assets reflects the differences derived from the liabilities and assets the Commission had throughout the fiscal year, as well as the amounts of investments in resources (assets) and obligations to creditors (liabilities). The difference between the assets and liabilities is noted as net assets. Over time, the increase or decrease of net assets can serve as a tool for determining whether a company is flourishing or deteriorating.

The statement of activities shows the changes in the government's net assets over the course of the fiscal year. All changes, including revenues and expenses, are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, some items are reported in this statement that may not take place until the future, i.e. vacation earned but not used, uncollected taxes.

The governmental fund balance sheet is a reference for the total liabilities and fund balance, as well as total assets on the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance reflects current financial resources and uses on the modified accrual basis of accounting. The government-wide financial statements are provided to give a quick overview of the Idaho Wine

Commission's finances on the accrual basis of accounting. The government-wide statements of activities are both government-wide financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

This report also presents certain required supplementary information pertaining to the Commission's budget. This includes the budgetary (GAAP Based) comparison schedule which is in the audited financial statements.

IDAHO GRAPE GROWERS AND WINE PRODUCERS COMMISSION
Management's Discussion and Analysis
Net Financial Analysis
Statement of Net Position

	2022-2023	2023-2024
Assets		
Cash and Cash Equivalents	$ 584,043	$ 500,921
Assessments Receivable, Net	7,403	21,329
Grant Receivables	142,409	175,339
Prepaid Items	4,438	4,438
Security Deposit	620	620
Net Pension Asset	-	-
Total Assets	738,913	702,647
Deferred Outflows	130,203	141,374
Liabilities		
Accounts Payable	20,023	24,670
Salaries & Benefits Payable	15,397	14,683
Long-Term Liabilities		
Due Within One Year		
Compensated Absences	23,914	22,218
Due in More Than One Year		
Net Pension Liabilities	197,278	243,343
Total Liabilities	256,612	304,914
Deferred Inflows	881	-
Net Assets		
Unrestricted Surplus	611,623	539,107
Total Net Assets	$ 611,623	$ 539,107

Net assets, the excess of assets over liabilities, may serve, over time, as a useful indicator of a government's financial position. In the case of the Commission, total net assets were $539,107.

IDAHO GRAPE GROWERS AND WINE PRODUCERS COMMISSION
Management's Discussion and Analysis
Statement of Activities

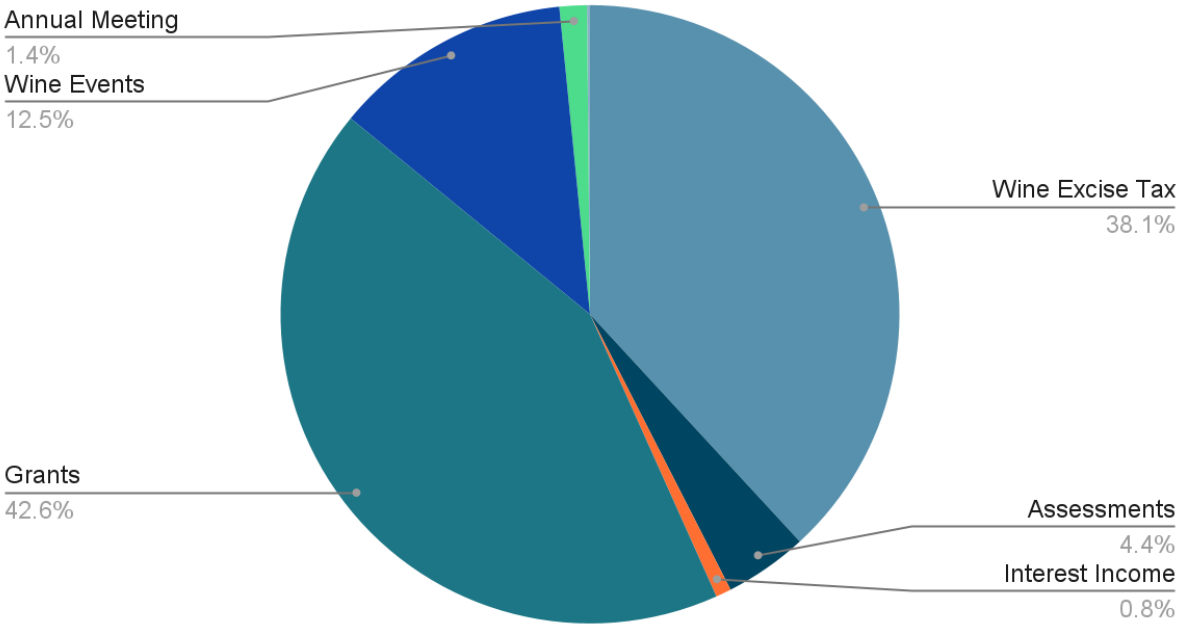
	2022-2023	2023-2024
Revenues		
General:		
Wine Excise Tax	$ 343,440	$ 391,603
Member Assessments	52,511	44,689
Interest Income	1,191	8,293
Program:		
Grants	576,467	437,628
Wine Events	149,782	128,235
Annual Meeting	-	14,693
Wine Scholarship	25	1,601
Total Revenues	1,123,416	1,026,742
Expenses		
Brand Loyalty	710,060	576,655
Education	37,190	41,000
Professional Services	26,862	27,364
Operations	53,099	53,324
Administrative	379,569	400,915
Total Expenses	1,206,780	1,099,258
Change in Net Assets	(83,364)	(72,516)
Net Assets, Beginning	694,987	611,623
Net Assets, Ending	$ 611,623	$ 539,107

Wine excise tax payments are received each month for the sales of wine sold in the state of Idaho, with an increase of $48,163 or 14.0% this year. The increase in wine excise tax revenues was due to a new stair step in the legislation passed in 2021.

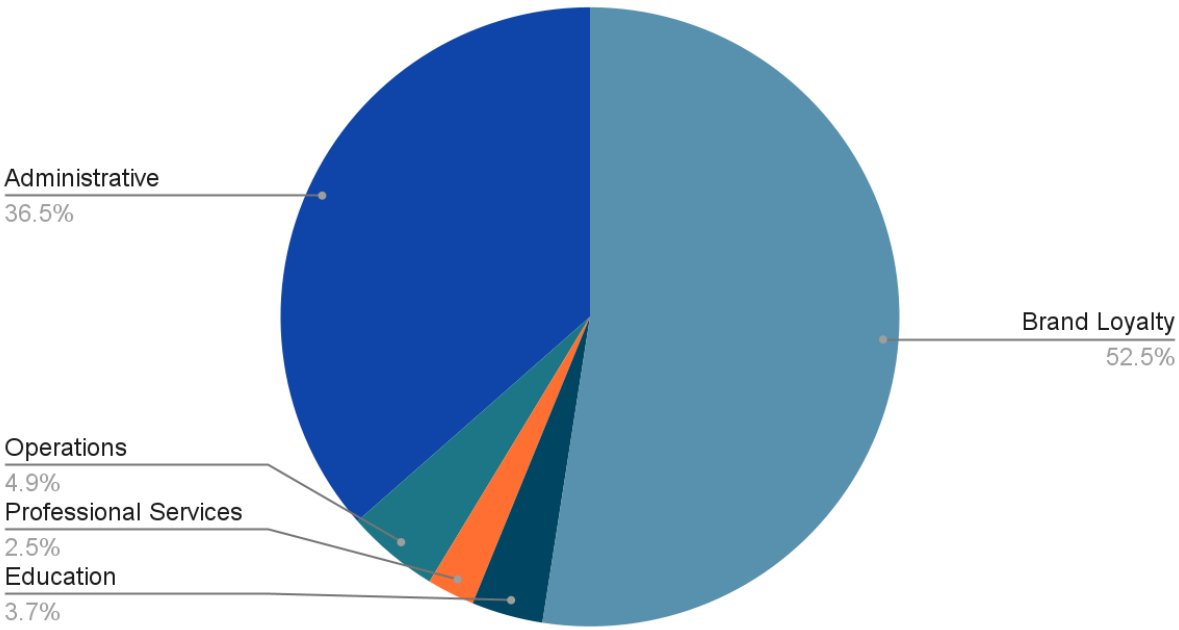
There was an additional round of grant funding available due to COVID-19 in the 2022-2023 fiscal year, this 2023-2024 fiscal year the funding returned to normal creating a decrease of $138,839 or 24.1% this year.

Brand Loyalty expenses are down due to the available grant funding mentioned above. Administration expenses were up due to staff salary increases, as well as, the administrative assistant moving into the role of Project Manager increase hours and wages.

Revenue



Expenses



Capital Assets and Long-Term Debt

Capital Assets

The Commission's investment in capital assets for amounts over $5,000 is zero at historical cost, as of June 2024.

Long-Term Debt

The Commission does not have any long-term debt.

Requests for Information

This financial report provides a general overview of the Commission's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Moya Dolsby.

Idaho Wine Commission
821 W. State St.
Boise, Idaho 83702

Idaho Grape Growers and Wine Producers Commission
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 200,921
Certificates of Deposit	300,000
Assessments Receivable, Net	21,329
Grants Receivable, Net	175,339
Security Deposit	620
Prepaids	4,438
Total Current Assets	702,647
Deferred Outflows	
Pension Related Items	141,374
Total Deferred Outflows	141,374
Liabilities	
Accounts Payable	24,670
Salaries and Benefits Payable	14,683
Long-term Liabilities	
Due Within One Year:	
Compensated Absences	22,218
Due in More Than One Year:	
Net Pension Liability	243,343
Total Liabilities	304,914
Net Position	
Unrestricted Surplus	539,107
Total Net Position	$ 539,107

The accompanying notes are an integral part of the financial statement.

Idaho Grape Growers and Wine Producers Commission
Statement of Activities
For the Year Ended June 30, 2024

Primary Government:	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position - Governmental Activities
Governmental Activities:					
Brand Loyalty	$ 576,655	$ -	565,863	$ -	$ 10,792
Education	41,000	-	16,294	-	24,706
Professional Services	27,364	-	-	-	27,364
Operations	53,324	-	-	-	53,324
Administrative	400,915	-	-	-	400,915
Total Governmental Activities	$ 1,099,258	$ -	$ 582,157	$ -	517,101
General Revenues:					
Wine Excise Tax					391,603
Assessments					44,689
Interest Income					8,293
Total General Revenues and Special Items					444,585
Change in Net Position					(72,516)
Net Position, Beginning of Year					611,623
Net Position, End of Year					$ 539,107

The accompanying notes are an integral part of the financial statement.

Idaho Grape Growers and Wine Producers Commission
Balance Sheet -
Governmental Funds
June 30, 2024

	General
Assets	
Cash and Cash Equivalents	$ 200,921
Certificates of Deposit	300,000
Assessments Receivable, Net	21,329
Grants Receivable, Net	175,339
Security Deposit	620
Prepaids	4,438
Total Assets	$ 702,647
Liabilities and Fund Balances	
Accounts Payable	$ 24,670
Salaries and Benefits Payable	14,683
Total Liabilities	39,353
Fund Balances:	
Nonspendable	4,438
Unassigned	658,856
Total Fund Balance	663,294
Total Liabilities and Fund Balance	$ 702,647

The accompanying notes are an integral part of the financial statement.

Idaho Grape Growers and Wine Producers Commission
Reconciliation of the Balance Sheet of the Governmental
Fund to the Statement of Net Position
June 30, 2024

Total Fund Balances - Governmental Funds		$ 663,294
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.		
Compensated Absences		(22,218)
The Commission participates in the Public Employee Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability or Asset and the related deferred inflows and outflows on their Statement of Net Position.		
Net Pension Asset	$ (243,343)	
Pension Related Deferred Outflows	141,374	
		(101,969)
Total Net Position-Governmental Activities		$ 539,107

The accompanying notes are an integral
part of the financial statement.

Idaho Grape Growers and Wine Producers Commission
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2024

	General
Revenues	
Wine Excise Tax	$ 391,603
Voluntary Assessments	44,689
Grant Revenue	437,628
Wine Event Revenue	128,235
Annual Meeting	14,693
Scholarship Revenue	1,601
Interest Income	8,293
Total Revenues	1,026,742
Expenditures	
Current:	
Personnel Expenses	362,850
Supplies and Materials	67,681
Professional Services	28,755
Advertising and Promotion	607,655
Total Expenditures	1,066,941
Net Change in Fund Balances	(40,199)
Fund Balance, Beginning	703,493
Fund Balance, Ending	$ 663,294

The accompanying notes are an integral
part of the financial statement.

Idaho Grape Growers and Wine Producers Commission
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental
Fund to the Statement of Activities
For the Year Ended June 30, 2024

Total Net Change in Fund Balance - Governmental Funds	$	(40,199)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This requires an adjustment in the following accounts:		
Compensated Absences		1,696
The Commission participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows does not affect the governmental funds, but are reported in the Statement of Activities.		(34,013)
Total Net Position-Governmental Activities	$	(72,516)

The accompanying notes are an integral
part of the financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present the activities of Idaho Grape Growers and Wine Producers Commission. The Commission receives funding from tax assessments on grape growers and wine producers as well as revenue raised from wine events and grants. The Commission is not included in any other governmental reporting entity as defined by generally accepted accounting principles. The commissioners have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the Commission's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the Commission. Governmental activities are primarily financed from taxes assessed on grape growers and wine producers in Idaho and are collected and remitted to the Commission by the Idaho State Tax Commission.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Commission.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses—expenses of the general government related to the administration and support of the Commission's programs, such as personnel and accounting (but not interest on long-term debt)—are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Commission's funds. The emphasis of fund financial statements is on major governmental funds. The Commission's only fund is reported as such.

- *General fund.* This fund accounts for all financial resources of the Commission.

Basis of Accounting

The government-wide financial statements are 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 liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide Statement of Net Position and in the governmental fund Balance Sheet. The Commission uses the following fund balance categories in the governmental fund Balance Sheet:

- *Nonspendable.* Balances, for example, in permanent funds, prepaid items, and inventories that are permanently precluded from conversion to cash.
- *Unassigned.* Balances available for any purpose.

The remaining fund balance classifications (restricted, committed, and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of Commissioners, the Commission's highest level of decision-making authority, through a formal action. The Board of Commissioners would also have the authority to assign funds or authorize another official to do so.

There is also no formal policy regarding the use of restricted, committed, assigned, or unassigned fund balances. However, it is the Commission's intent that when an expenditure is incurred for purposes for which amounts in any of the classifications of fund balance or net assets could be used, the Commission considers restricted amounts to be reduced first, followed by committed amounts, followed by assigned amounts, and then unassigned amounts.

C. Assets and Liabilities

Cash Equivalents

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. See Note 2.

Receivables

All trade and assessment receivables are shown net of an allowance for uncollectible amounts. As of June 30, 2024, there was no balance in the allowance for uncollectible accounts.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below.

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Equipment	$5,000	Straight line	> 1 Year

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

The Commission does not own any infrastructure assets.

Accounts Payable

Accounts payable represent debts that will be paid in the next billing cycle. Accounts payable are not over 60 days past due.

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

As of June 30, 2024, the carrying amount of the Commission's deposits was and the respective bank balances totaled . The entire bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the Commission.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. As of June 30, 2024, all of the Commission's deposits were covered by the federal depository insurance or by collateral held by the Commission's agent or pledging financial institution's trust department or agent in the name of the Commission, and thus were not exposed to custodial credit risk. The Commission does not have a formal policy limiting its exposure to custodial credit risk.

Investments

Idaho Code authorizes the Commission to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

Interest Rate Risk

The Commission does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

At year-end, deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash and cash equivalents	$ 200,921
Certificate of Deposits	300,000
	$ 500,921

3. FUNDING

The Commission is financed by a percentage of the 45¢ per gallon excise tax on wine sales collected by the State of Idaho. In fiscal year 2022 the percentage increased from five to twenty-six percent, due to a miscalculation by the Idaho State Tax Commission. Revenues were reduced in fiscal year 2023 to compensate. A new Beer Tax classification was created by the Idaho Legislature in fiscal year 2022. The Commission will receive three and one-half percent (3.5%) of this new 39¢ per gallon excise tax.

The Commission also receives funding from assessments levied on vineyards and wineries in Idaho. These assessments are paid voluntarily on the production of grapes and grape juice purchased inside and outside of Idaho for the production of wine in Idaho. The amount of funding received is subject to various conditions, including wine sales, wine production, weather, and acres of grapes cultivated. The Commission also receives significant grant funding for research and marketing of Idaho grapes and wine. The commission also holds one revenue producing event a year to promote Idaho wines.

4. RISK MANAGEMENT

The Commission is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, and e) worker's compensation, i.e. employee injuries. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

5. PENSION PLAN

Plan Description

Idaho Grape Growers and Wine Producers Commission 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.

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 public safety) 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. 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) that are adequate 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 74% for public safety. As of June 30, 2023 it was 7.16% for general employees and 9.13% for public safety. The employer contribution rate as a

percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for public safety. Idaho Grape Growers and Wine Producers Commission's contributions were $31,217 the year ended June 30, 2024.

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

At June 30, 2024, Idaho Grape Growers and Wine Producers Commission reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Idaho Grape Growers and Wine Producers Commission's proportion of the net pension liability was based on Idaho Grape Growers and Wine Producers Commission's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2023, Idaho Grape Growers and Wine Producers Commission's proportion was 0.0060978 percent.

For the year ended June 30, 2024, Idaho Grape Growers and Wine Producers recognized pension expense (revenue) of $65,231 . At June 30, 2024, Idaho Grape Growers and Wine Producers Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 41,711	$ -
Changes in assumptions or other inputs	24,096	-
Net difference between projected and actual earnings on pension plan investments	22,841	-
Changes in the employerr's proportion and difference between the employer's contributions and the employer's proportionate contribututions	21,509	-
Idaho Grape Growers and Wine Producers Commission's contributions subsequent to the measurement date	31,217	-
Total	$ 141,374	$ -

$31,217 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 June 30, 2024.

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, 2023, the beginning of the measurement period ended June 30, 2022 is 4.6 and 4.4 for the measurement period June 30, 2023.

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:

For the Year Ended June 30:	PERSI
2025	$ 67,631
2026	19,703
2027	50,974
2028	1,111
2029	1,955

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 June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expense
Cost-of-living	1%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%.
Teachers – Males Pub-2010 Teacher Tables, increased 12%.
Teachers – Females Pub-2010 Teacher Tables, increased 21%.
Fire & Police – Males Pub-2010 Safety Tables, increased 21%.
Fire & Police – Females Pub-2010 Safety Tables, increased 26%.
Disabled Members – Males Pub-2010 Disabled Tables, increased 38%.
Disabled Members – Females Pub-2010 Disabled Tables, increased 36%.

An experience study was performed July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2023 is based on the results of an actuarial valuation date of July 1, 2023.

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 2023.

Asset Class	BD Plans
Fixed Income	30.00%
US/global Equity	55.00%
International Equity	15.00%
Cash	0.00%
Total	100.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. 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.

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 6.35 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 (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 437,662	$ 243,343	$ 84,523

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.

6. OTHER COMMITMENTS

The Commission have credit cards with a total credit limit of $15,000. As of June 30, 2024, $2,699 of the credit was in use.

7. COMPENSATED ABSENCES

The Commission presently accumulates unused vacation days and compensated time calculated on an individual basis according to an employee’s total years worked and total hours per week worked. All accumulated vacation time and sick leave represents a potential liability to the Commission.

	6/30/2023	Increase	Decrease	6/30/2024	Current
Governmental Activities	$ 23,914	$ 25,391	$ (27,087)	$ 22,218	$ 22,218

REQUIRED SUPPLEMENTARY INFORMATION

Idaho Grape Growers and Wine Producers Commission
Budgetary Comparison Schedule (GAAP Basis)
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Wine Excise Tax	$ 400,000	$ 400,000	$ 391,603	$ (8,397)
Voluntary Assessments	35,000	50,000	44,689	(5,311)
Grant Revenue	-	768,916	437,628	(331,288)
Wine Event Revenue	124,650	135,000	128,235	(6,765)
Annual Meeting	17,500	20,000	14,693	(5,307)
Scholarship Revenue	1,000	1,000	1,601	601
Interest Income	500	1,000	8,293	7,293
Total Revenues	578,650	1,375,916	1,026,742	(349,174)
Expenditures				
Current:				
Brand Loyalty	122,808	128,365	118,493	9,872
Education	61,998	63,148	41,000	22,148
Professional Services	28,100	28,100	27,364	736
Operations	53,945	62,744	53,324	9,420
Administrative	364,395	369,395	368,598	797
Grant	-	-	458,162	(458,162)
Total Expenditures	631,246	651,752	1,066,941	(415,189)
Net Change in Fund Balances	(52,596)	724,164	(40,199)	764,363
Fund Balance - Beginning	52,596	(724,164)	703,493	(1,427,657)
Fund Balance, Ending	$ -	$ -	$ 663,294	$ (663,294)

1. BUDGETS AND BUDGETARY ACCOUNTING

The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

A. On or before January 15 of each year, the Commission prepares a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

B. The budget is filed with the senate agricultural affairs committee, the house agricultural affairs committee, the legislative council, the state controller, and the division of financial management.

C. Formal budgetary integration is employed as a management control device during the year for all the funds.

D. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

E. Budgeted amounts are as originally adopted, or amended by the Board of Commissioners.

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The General Fund reports expenditures in excess of appropriations in the amount of $415,189.

Idaho Grape Growers and Wine Producers Commission
Schedule of Required Supplementary Information
Public Employee Retirement System of Idaho
Last 10 - Fiscal Years

Schedule of the Commission's Proportionate Share of Net Pension Liability

Year	Commission's proportion of the net pension liability	Commission's proportionate share of the net pension liability	Commission's covered-employee payroll	Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as percentage of the total pension liability
2024	0.00609779%	$ 243,343	$ 278,521	87.37%	83.83%
2023	0.00500860%	$ 197,278	$ 259,270	76.09%	83.09%
2022	0.00492070%	$ (3,886)	$ 197,515	-1.97%	100.36%
2021	0.00609170%	$ 141,457	$ 183,634	77.03%	88.22%
2020	0.00591850%	$ 67,558	$ 217,577	31.05%	93.79%
2019	0.00578280%	$ 85,297	$ 201,016	42.43%	91.61%
2018	0.00596540%	$ 93,766	$ 186,054	50.40%	90.68%
2017	0.00581080%	$ 117,794	$ 185,279	63.58%	87.26%
2016	0.00600720%	$ 79,105	$ 169,948	46.55%	91.38%
2015	0.00600720%	$ 39,838	$ 168,261	23.68%	94.95%

Data reported is measured as of June 30 , 2023

Schedule of Commission Contributions

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Commission's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 31,217	$ 31,217	$ -	$ 278,521	11.21%
2023	$ 30,957	$ 30,957	$ -	$ 259,270	11.94%
2022	$ 23,583	$ 23,583	$ -	$ 197,515	11.94%
2021	$ 21,926	$ 21,926	$ -	$ 183,634	11.94%
2020	$ 25,900	$ 25,900	$ -	$ 217,577	11.90%
2019	$ 22,755	$ 22,755	$ -	$ 201,016	11.32%
2018	$ 21,061	$ 21,061	$ -	$ 186,054	11.32%
2017	$ 20,974	$ 20,974	$ -	$ 185,279	11.32%
2016	$ 19,238	$ 19,238	$ -	$ 169,948	11.32%
2015	$ 19,047	$ 19,047	$ -	$ 168,261	11.32%

Data reported is measured as of June 30, 2024

FEDERAL REPORT

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Commissioners
Idaho Grape Growers and Wine Producers Commission
Boise, 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 the fund information of Idaho Grape Growers and Wine Producers Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Idaho Grape Growers and Wine Producers Commission's basic financial statements, and have issued our report thereon September 27, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Idaho Grape Growers and Wine Producers Commission'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 Idaho Grape Growers and Wine Producers Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Idaho Grape Growers and Wine Producers Commission'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 Idaho Grape Growers and Wine Producers Commission'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.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
September 27, 2024