IDAHO POTATO COMMISSION

Report on Audited
Basic
Financial Statements
and
Additional Information

For the Year Ended August 31, 2024

Table of Contents

Independent Auditor's Report	4
Management's Discussion and Analysis	7
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet	13
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Positions	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Fund to the Statement of Activities	16
Notes to Financial Statements	17
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary (GAAP Basis) Comparison Schedule:	
General Fund	38
Notes to Required Supplementary Information	39
Schedule of Commission's Proportionate Share of Net Pension Liability	40
Schedule of Commission Contributions	40
Schedule of Changes in OPEB Liability – Healthcare	41
Schedule of Changes in OPEB Asset – Sick Leave	42
Schedule of Employer OPEB Contributions – Sick Leave	43

OTHER SUPPLEMENTARY INFORMATION

Schedule of Expenditures Expressed in Percentages 45

Comparative Schedule of Revenues and Expenditures 46

Schedule of Administrative Expenditures 47

FEDERAL REPORT

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* 49

The Management's Discussion and Analysis for the Idaho Potato Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended August 31, 2024.

Overview of the Commission

The Idaho Legislature created the Idaho Potato Commission (the "IPC") in 1937 to provide market development, production research, and the promotion of potatoes grown in Idaho (*Idaho Code* Title 22, Chapter 12). The IPC's office is in Eagle, Idaho. The IPC is governed by nine governor-appointed commissioners (from the industry nominations). The IPC commissioners are made up of five growers, two processors, and two shippers. The IPC also has 20 staff (including 6 field directors).

The IPC is a self-governing state agency that receives most of its revenue through a potato tax split 60% from the growers and 40% from the first handlers (shipper or processor). The tax is currently set at 12.5 cents per hundred-weight. The *Idaho Code* gives the IPC's board the right to set the tax rate up to 15 cents per hundred-weight.

The IPC uses funds and account groups to report on its financial position and the results of its operations. The IPC's financial statements consist of a governmental fund and a general fund. The governmental fund follows the accrual basis of accounting while the general fund follows the modified accrual basis of accounting.

Financial Highlights

During the fiscal year ended August 31, 2024, the IPC had total revenue of $15,251,684. ($14,733,803 was from potato tax), which is $1,877,109 more than 2023.

Total expenses for the IPC during the fiscal year ended August 31, 2024, totaled $15,205,483. The IPC's expenses are divided into the following major areas: Consumer Advertising, Retail Promotion, Foodservice Promotion, Research & Education, and Administration. IPC's expenses increased $881,491 or 6% compared to 2023.

Using the Basic Financial Statements

The annual report consists of two distinct series of financial statements: The government-wide financial statements (Statement of Net Position and Statement of Activities) and the fund financial statements (General Fund and Statement of Revenues, Expenditures, and Changes in Fund Balance). The government-wide statements are designed to show the IPC's overall economic activity. The Statement of Net Position and Statement of Activities provide information about the governmental-type activities of the whole IPC organization presenting both an aggregate view of IPC finances and a longer-term view of those finances.

The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

Reporting the IPC as a Whole

The Statement of Net Position and the Statement of Activities on pages 4 and 5 reflect the overall financial health of the IPC and report what the IPC owns and how much it owes. They also assess the IPC's present financial status and outlook. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies.

Financial Analysis of the IPC as a Whole

Table 1 provides a summary of the Commission's net position as of August 31, 2024 compared to August 31, 2023.

Summary of IPC's Net Position

	2024	2023	Percent Change
Current Assets	$ 5,808,125	$ 5,433,830	6.9%
Net Investment in Capital Assets	366,145	394,110	-7.1%
Other Assets	626,886	756,101	-17.1%
Total Assets	6,801,156	6,584,041	3.3%
Deferred Outflows	460,088	963,334	-52.2%
Liabilities	3,084,272	3,640,678	-15.3%
Deferred Inflows	404,791	158,502	155.4%
Net Position:			
Net Investment in Capital Assets	366,145	394,110	-7.1%
Restricted	-	-	0.0%
Unrestricted	3,406,036	3,354,085	1.5%
Total Net Position	$ 3,772,181	$ 3,748,195	0.6%

Financial Analysis of the IPC as a Whole (continued)

Table 2 shows the IPC's activities for the year ended August 31, 2024 compared to the year ended August 31, 2023 along with the change in net position.

Summary of IPC's Activities and Changes in Net Position

	2024	2023	Percent Change
Revenues:			
Potato Tax	$ 14,733,803	$ 13,010,814	13.2%
Other Revenue	517,881	363,761	42.4%
Total Revenue	15,251,684	13,374,575	14.0%
Expenses:			
Personnel	3,075,281	3,431,125	-10.4%
Advertising/PR/Retail	6,618,685	6,032,170	9.7%
Foodservice	1,518,167	1,277,492	18.8%
Research and Education	1,239,648	1,641,268	-24.5%
Other	2,753,702	1,941,937	41.8%
Total Expenses	15,205,483	14,323,992	6.2%
Change in Net Position	46,201	(949,417)	
Net Position, Beginning	3,725,980	4,697,612	
Net Position, End of Year	$ 3,772,181	$ 3,748,195	

Governmental Funds

Most of the IPC's activities are reported in a governmental fund, which focuses on how money flows into and out of the fund and the balances left at year-end available for spending in future periods. This fund is reported on the "modified accrual" basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the IPC's general government operations and the basic services it provides.

Budget Analysis

The IPC approves an income and expenditure budget every July, prior to the beginning of the fiscal year, based on the U.S.D.A. Idaho potato acreage report, yield estimates, and potato tax rate. The IPC develops an expenditure budget based on the projected revenue.

During the fiscal year, the IPC can increase or decrease its budget based on more current revenue forecasts and can utilize its reserve if necessary. During the fiscal year ended August 31, 2024, reserve funds were approved to cover an anticipated shortfall in revenue. However, revenue was under budget by $906,566 . Expenditures were under budget by $1,005,774 . As a result, the IPC's reserve increased by $99,208 .

Table 3 shows the original fiscal year 2024 budget compared to actual revenues and expenditures of the general fund.

Original Fiscal Year Budget Compared to Actual Revenue and Expenditures

	Budget	Actual	Percent Variance
Revenues	$ 16,158,250	$ 15,251,684	-5.6%
Expenditures	16,158,250	15,152,476	-6.2%
Net Change in Fund Balance	$ -	$ 99,208	

Capital Assets

At the end of the fiscal year 2024, the IPC had $97,375 of net capital assets in governmental activities. Table 4 reflects fiscal year 2024 balances compared to fiscal year 2023.

	2024	2023	Dollar Increase (Decrease)
Capital Assets	$ 332,165	$ 332,165	$ -
Less - Accumulated Depreciaiton	(234,790)	(203,687)	(31,103)
Investment in Capital Assets	$ 97,375	$ 128,478	$ (31,103)

This financial report is designed to provide industry members and management with a general overview of IPC's finances and to reflect the IPC's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to: Jamey Higham, President/CEO, Idaho Potato Commission, 661 S. Rivershore Lane, #230, Eagle, ID 83616, 208-334-2350.

Idaho Potato Commission
Statement of Net Position
August 31, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 1,263,737
Short-term Investments	1,516,482
Potato Tax Receivable	1,102,463
Accounts Receivable	19,023
Prepaid Expenses	1,064,731
Inventory	841,689
Capital Assets:	
Equipment, Net	97,375
Right-to-Use Asset	626,886
Net OPEB Asset - Sick Leave	268,770
Total Assets	6,801,156
Deferred Outflows	
Pension Related Items	396,276
OPEB-Healthcare & Long-term Disability	7,109
OPEB-Sick Leave	56,703
Total Deferred Outflows	460,088
Liabilities	
Accounts Payable	434,593
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	242,291
Lease Payable, Current	138,302
Due in More Than One Year:	
Lease Payable	488,584
Net Pension Liability	1,773,816
Net OPEB Liability - Healthcare & Long-term Disability	6,686
Total Liabilities	3,084,272
Deferred Inflows	
Pension Related Items	353,513
OPEB -Healthcare & Long-term Disability	23,134
OPEB - Sick Leave	28,144
Total Deferred Inflows	404,791
Net Position	
Net investment in Capital Assets	97,375
Unrestricted Surplus	3,674,806
Total Net Position	$ 3,772,181

The accompanying notes are an integral part of the financial statements

Idaho Potato Commission
Statement of Activities
For the Year Ended August 31, 2024

	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 Positions - Governmental Activities
Primary Government:					
Governmental Activities:					
Marketing and Promotion	$ 10,001,265	$ 44,444	$ -	$ -	$ (9,956,821)
Research	1,239,648	-	187,959	-	(1,051,689)
Administration	3,964,570	94,063	-	-	(3,870,507)
Total Governmental Activities	$ 15,205,483	$ 138,507	$ 187,959	$ -	(14,879,017)

General Revenues:	
Potato Tax	14,733,803
Interest Income	161,015
License Fees	30,400
Total General Revenues and Special Items	14,925,218
Change in Net Positions	46,201
Net Positions, Beginning Previously Stated	3,748,195
Prior Period Adjustment	(22,215)
Net Positions, Beginning of Year	3,725,980
Net Positions End of Year	$ 3,772,181

The accompanying notes are an integral part of the financial statements

Idaho Potato Commission
Balance Sheet -
Governmental Fund
August 31, 2024

	General Fund
Assets	
Cash and Cash Equivalents	$ 1,263,737
Short-term Investments	1,516,482
Potato Taxes Receivable	1,102,463
Accounts Receivable	19,023
Prepaid Expenses	1,064,731
Inventory	841,689
Total Assets	$ 5,808,125
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	$ 434,593
Compensated Absences	193,081
Total Liabilities	627,674
Fund Balance:	
Nonspendable:	
Prepaid Items	1,064,731
Inventory	841,689
Committed for future contract payments	317,052
Committed for pledges	625,000
Unassigned	2,331,979
Total Fund Balance	5,180,451
Total Liabilities and Fund Balance	$ 5,808,125

The accompanying notes are an integral part of the financial statements

Idaho Potato Commission
Reconciliation of the Balance Sheet of the Governmental
Fund to the Statement of Net Positions
August 31, 2024

Total Fund Balances - Governmental Funds		$ 5,180,451
Amounts reported for governmental activities in the Statement of Net Positions are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Equipment, Net of $234,790 Accumulated Depreciation		97,375
Right-to-Use Asset, Net of $204,625 Accumulated Depreciation		626,886
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. Long-term liabilities at year end consist of:		
Compensated Absences	$ (49,210)	
Net Lease Liability	(626,886)	
		(676,096)
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.		
Net Pension Liability	$ (1,773,816)	
Pension Related Deferred Inflows	(353,513)	
Pension Related Deferred Outflows	396,276	
		(1,731,053)
The Commission provides post-employment benefits to eligible employees through the Sick Leave fund of 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 OPEB asset and the related deferred inflows and outflows on their Statement of Net Position.		
Net OPEB Liability	$ (6,686)	
Net OPEB Asset	268,770	
OPEB Related Deferred Inflows	(51,278)	
OPEB Related Deferred Outflows	63,812	
		274,618
Total Net Positions-Governmental Activities		$ 3,772,181

The accompanying notes are an integral
part of the financial statements

Idaho Potato Commission
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Governmental Fund
For the Years Ended August 31, 2024

	General Fund
Revenues	
Tax Revenue	$ 14,733,803
Federal Grant Revenues	187,959
Other Operating Revenue	168,907
Investment Income	161,015
Total Revenues	15,251,684
Expenditures	
Current:	
Personnel Expenses	3,787,908
Supplies and Materials	32,349
Professional Services	59,721
Advertising and Promotion	10,001,265
Other Operating Expense	1,239,648
Capital Outlay	31,585
Total Expenditures	15,152,476
Net Change in Fund Balance	99,208
Fund Balance, Beginning	5,081,243
Fund Balance, Ending	$ 5,180,451

The accompanying notes are an integral
part of the financial statements

Idaho Potato Commission
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Fund
to the Statement of Activities
For the Years Ended August 31, 2024

Total Net Change in Fund Balance - Governmental Funds		$ 99,208
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense.		
Depreciation Expense	$ (31,103)	
		(31,103)
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.		
Compensated Absences		178,490
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.		
		(200,394)
Change in Net Positions of Governmental Activities		$ 46,201

The accompanying notes are an integral
part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements present the activities of the Idaho Potato Commission, State of Idaho. The Commission receives funding from tax assessments on potatoes. For financial reporting purposes, the State of Idaho's primary government includes commissions, among others that are an integral part of the State. The Idaho Potato Commission is considered such an entity and is included in the State's financial statements in the nonmajor governmental funds. Commissioners are appointed by the Governor of Idaho upon recommendation of participants of the grower, shipper, and processor segments of the industry in Idaho, and 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.

Basis of Presentation

Government-wide Statements: The Statement of Net Positions and the Statement of Activities display information about the financial activities of the Commission. Governmental activities are financed primarily through the potato tax assessed on all potatoes as they enter the channels of trade in Idaho.

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— 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 reports the following major governmental funds:

- *General fund.* This is the Commission's primary operating fund. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund.

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 collectible in the current period, or within a reasonable time thereafter to pay for the current period liabilities. 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 Positions and in the governmental fund Balance Sheet.

The Commission uses the following fund balance categories in the governmental fund Balance Sheet:

- *Unassigned.* Balances available for any purpose.
- *Committed.* Balances representing amount designated for specific future purposes, including for multi-year contracts and for pledges to universities
- *Non-spendable.* Balances representing assets that are unable to be spent for future expenditures. For example, prepaid expenses and inventory held.

The remaining fund balance classifications (non-spendable, 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.

When both restricted and unrestricted resources are available for use, it is the Commission's intent to use restricted resources first, then unrestricted resources as they are needed. There is no formal policy regarding the use of 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 unrestricted classifications of fund balance could be used, the Commission considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

Assets and Liabilities

Cash Equivalents

The Commission's cash and cash equivalents are 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 uncollectable.

Inventory

Inventory is stated at cost. Expenditure in the fund statements is recognized as the inventory is used, using the consumption method.

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
Computer Equipment	$ 5,000	Straight-line	5 years
Office and Other Equipment	$ 5,000	Straight line	5 – 7 years

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.

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.

Accounts Payable

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability medical, deferred outflows of resources and deferred inflows of resources related to OPEB medical, and OPEB medical expense, information about the fiduciary net position of the Commission and additions to/deductions from the Commission's fiduciary net position have been determined on the same basis as they are reported by the Commission. For this purpose, the Commission recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB asset sick leave, deferred outflows of resources and deferred inflows of resources related to OPEB sick leave, and OPEB sick leave expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or system) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund's fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments 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.

New Accounting Principles

The Commission adopted GASB 101, Compensated Absences, during the year. This has caused a restatement of prior year assets due to compensated absences that were not previously recognized. See footnote 7.

2. CASH AND INVESTMENTS

Deposits

As of August 31, 2024, all of the Commission's deposits were $1,263,737. The respective bank balances totaled $1,490,831. All of the total bank balance was insured or collateralized with pooled securities held by the pledging institutions in the name of the Commission.

Custodial Credit Risk – Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, all of the government's deposits may not be returned. As of August 31, 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 deposit policy for custodial credit risk. Custodial credit risk for investments is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the Commission's policy to preserve the principal value and the interest income on an investment against credit risk. The Commission's policy is to invest in only debt instruments allowed by Idaho Statute. Investments of reserves will be approved by a majority vote of the commissioners. Commissioners will annually review each investment to determine annual income and current value as well as evaluate safety of the investment.

Interest Rate Risk

The Commission has a formal policy limiting investment maturities to help manage its exposure to fair value losses from increasing interest rates. Investment of Commission funds during periods of low interest rates will be held to short term maturities, not to exceed six months. When market interest rates are above historical averages, Commission funds can be invested for longer maturities upon approval by a majority of the Commission.

Investments

The Commission follows Idaho Statute that outlines qualifying investment options as follows:

> 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.

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- Level 1- Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, assets or liabilities;
- Level 2- Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
- Level 3- Prices or valuation techniques that require inputs that are both significant to the fair-value measurement and unobservable (that is, inputs supported by little or no market activity).
- The Organization used the following methods and significant assumptions to estimate fair value:
- *Money Market Funds*: Valued with readily determinable fair values based upon daily redemption values.

Assets at Fair Value as of August 31, 2024

	Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Treasury Bills	$ 1,516,482	$ 1,516,482	$ -	$ -

3. FUNDING

The Commission is financed by a 12.5¢ per-hundred weight (cwt) tax collected by the Commission on potatoes as it enters the channels of trade in Idaho. The amount of funds received by the Commission is subject to various conditions, including market price, storage of potatoes, weather, and number of acres planted.

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. The Commission participates in various self-insurance programs established by the State for property and casualty losses and employee health insurance.

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended August 31, 2024, was as follows:

	Balance 8/31/2023	Additions	Disposals	Balance 8/31/2024
Capital Assets Being Depreciated:				
Equipment	$ 332,165	$ -	$ -	$ 332,165
Total Historical Cost	332,165	-	-	332,165
Less: Accumulated Depreciation				
Equipment	203,687	31,103	-	234,790
Total Acc. Depr.	203,687	31,103	-	234,790
Capital Assets - Net	$ 128,478	$ (31,103)	$ -	$ 97,375

Depreciation expense was charged to the functions of the Commission as follows:

Governmental Activities:	
Administration	$ 31,103

6. LEASE COMMITMENTS

The Commission leases office space in Eagle, Idaho and Idaho Falls, Idaho. The Idaho Fall lease is a month-to-month lease.

The lease consists of:

Original Cost	$ 831,511
Less: Accumulated Amortization	(204,625)
	$ 626,886

Lease expenditures were $184,103 in fiscal year 2024. Future minimum lease payments are shown below:

Year Ending August 31,	Principal	Interest	Total
2025	$ 138,302	$ 20,857	$ 159,159
2026	174,831	15,907	190,738
2027	151,765	9,665	161,430
2028	161,988	4,264	166,252
Total	$ 626,886	$ 50,693	$ 677,579

7. COMPENSATED ABSENCES

Vacation and sick leave are granted to all regular Commission employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. Sick leave is not paid out in the event of termination, but the total sick leave that will be paid out over the employees' time with the company is listed below. Changes in sick leave estimate and vacation leave during the year are as follows:

Governmental Activities	8/31/2023	Net Change	8/31/2024	Current Portion
Vacation	$ 205,485	$ 2,367	$ 207,852	$ 207,852
Sick	22,215	12,224	34,439	34,439
	$ 227,700	$ 14,591	$ 242,291	$ 242,291

8. PENSION PLAN

Plan Description

Idaho Potato 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 ww.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 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. 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, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% general employees and 13.26% for police and firefighters. Idaho Potato Commission's contributions were $262,430 the year ended August 31, 2024.

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

At August 31, 2024, Idaho Potato Commission reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Idaho Potato Commission's proportion of the net pension liability was based on Idaho Potato 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, 2024, Idaho Potato Commission's proportion was 0.0474201 percent.

For the year ended August 31, 2024, Idaho Potato Commission recognized pension expense/(revenue) of ($62,662). At August 31, 2024, Idaho Potato 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	$ 282,408	$ -
Changes in assumptions or other inputs	70,270	-
Net difference between projected and actual earnings on pension plan investments	-	32,198
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	321,315
Idaho Potato Commission's contributions subsequent to the measurement date	43,599	-
Total	$ 396,276	$ 353,513

$43,599 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 August 31, 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, 2024 the beginning of the measurement period ended June 30, 2023, is 4.6 and 4.6 for the measurement period June 30, 2024.

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 August 31:	PERSI
2024	$ 72,200
2025	249,705
2026	(133,760)
2027	(110,014)
2028	(35,368)

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, 2024 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 adjustments	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 for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

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 2024.

Asset Class	DB 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)	$ 3,370,804	$ 1,773,816	$ 469,485

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.

9. OPEB PLAN – HEALTHCARE & LONG-TERM DISABILITY

Plan Descriptions and Funding Policy

Retiree Healthcare Plan: A retired officer or employee of a state agency, department, institution, or other political subdivision, including an elected official, who receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase retiree health insurance coverage for themselves and eligible dependents. Additionally, the retiree must be under 65, receiving monthly PERSI pension benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An officer or employee must have been an active employee on or before June 30, 2009, and must retire directly from state service. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The benefit is at least $1,860 per retiree per year. The retired plan members contribution percentage of the total premium cost decreased from 81.9 percent in 2022 to 74.7 percent in 2023. In 2023, employers were charged $8.06 per active employee per month towards the retiree premium cost, or 25.3 percent of the total cost of the retiree plan, compared to $8.16 per active employee per month or 19.1 percent of the total cost of the retiree plan in 2024.

Long-Term Disability Plan: Disabled employees are defined as persons unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70 percent of their monthly salary for the first 30 months of disability. If after 30 months the employee is unable to perform any job for which they are reasonably qualified by experience, education, or training, and unable to earn more than 60 percent of their monthly salary, the employee is considered totally disabled. To qualify for long-term disability benefits, the waiting period of the longer of 26 continuous weeks of total disability or exhaustion of accrued sick leave must be met.

For up to 6 months following the date of disability an employee may continue healthcare coverage under this plan. The employer's share of the premium is paid from the Office of Group Insurance reserve. The employee is required to pay the normal active employee contribution to the plan and rate category for which the employee is enrolled. In fiscal years 2022 and 2023, employers were not charged, as the medical continuation premiums were paid from the excess reserve.

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60 percent of monthly pre-disability salary or $6,000, whichever is less. The benefit does not increase with inflation and may be offset by benefits from Social Security, Workers' Compensation, or PERSI. Effective July 1, 2020, employees disabled prior to July 1, 2003 who were included in previous valuations will no longer be included due to a change from self-insured to insured. As of July 1, 2020, all employees have an insured benefit. Premium payments are made before a disabled member's separation from employment. The amount of the contribution is based on active claims and the number of insured individuals.

Principal Life Insurance Company insures employees disabled on or after July 1, 2003, and the obligation for the payment of income benefits has been effectively transferred. The employer pays 100 percent of the cost of the premiums; the contribution rate for fiscal years 2022 and 2023 was 0.29 percent of payroll.

The plan also provides basic life insurance and dependent life insurance to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than $20,000. The amount of life insurance will be reduced to 75% after the date the employee turns age 70, and will be reduced to 50% after the date the employee turns age 75. In addition, the plan provides a $2,000 life insurance benefit for spouses and a $1,000 life insurance benefit for dependent children. These benefits do not increase with inflation. The State is self-insured for employees who became disabled prior to July 1, 2012; the employer pays 100 percent of the cost.

Principal Life Insurance Company insures disabled employees, and the obligation for the payment of basic life and dependent life coverage benefits has been effectively transferred. The employer pays 100 percent of the premiums, which are included in the current-year expense/expenditure amount for long-term disability income insured benefits provided in the previous paragraph.

Summary of Significant Accounting Policies

The financial statements of the OPEB plans are reported using the accrual basis of accounting. Contributions are recorded when earned and expenses, including benefits and refunds paid, are recorded when a liability is incurred, regardless of the timing of cash flows.

Actuarial Assumptions

The last actuarial valuation was performed as of July 1, 2022. Actuarial valuations are performed biennially as of July 1 for accounting purposes only.

The total OPEB liability as of June 30, 2024 was based on the 2022 PERSI Experience study for demographic assumptions. The economic and OPEB specific assumptions were based on the July 1, 2022 OPEB Valuation and the June 30, 2022 Milliman GASB 75 disclosure report.

The entry age normal cost method and the following actuarial assumptions and other inputs applied to all periods included in the measurement:

		Long-Term Disability Plan		
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income
Inflation	2.30%	2.30%	2.30%	2.30%
Salary Increases	3.05% general wage growth plus increases due to promotions and longevity	3.05% general wage growth plus increases due to promotions and longevity	3.05% general wage growth plus increases due to promotions and longevity	3.05% general wage growth plus increases due to promotions and longevity
Discount Rate	3.65%	3.65%	3.65%	3.65%

Mortality Rates

Mortality rates for the Retiree Healthcare, the Long-Term Disability Healthcare, and the Retiree Life Insurance plans were based on the RP-2010 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection and adjustments.

Discount Rate

The actuary used a discount rate of 3.54 percent to measure the total OPEB liability. The discount rate was based on 20-year Bond Buyer Go Index.

Total OPEB Liability, OPEB Expense, and Deferrals

Total OPEB Liability: The ending balance in the following table represents the State's total OPEB liability as of the measurement date of June 30, 2022 and recorded in fiscal year 2023. Employer proportionate shares were determined utilizing a single-period measure of benefit payments as of August 31, 2024.

The table illustrates the changes in total OPEB liability for the fiscal year ended August 31, 2024:

	Healthcare Plan	Long-Term Disability Plan	Total
Beginning Balances	$ 5,921	$ 706	$ 6,627
Service Cost	146	191	337
Interest on Total OPEB Liability	184	30	214
Plan Changes	-	-	-
Economic/Demographic Gains(Losses)	1,424	-	1,424
Assumptions Changes	(23)	(4)	(27)
Expected Benefit Payments	(1,786)	(103)	(1,889)
Net Changes	(55)	114	59
Ending Balances	$ 5,866	$ 820	$ 6,686

OPEB Expense and Deferrals: The Commission recognized the following OPEB expense and deferrals for the year ended August 31, 2024:

	Healthcare Plan	Long-Term Disability Plan	Total
OPEB Expense/(Benefit)	$ (1,239)	$ 218	$ (1,021)
Deferred Outflows			
Difference between Expected & Actual Experience	$ 2,570	$ 272	$ 2,842
Changes of Assumptions	2,834	33	2,867
Change in Proportion	154	151	305
Benefit Payments Subsequent to the Measurement Date	1,076	19	1,095
Total Deferred Outflows	$ 6,634	$ 475	$ 7,109
Deferred Inflows			
Difference between Expected & Actual Experience	$ (4,648)	$ (64)	$ (4,712)
Changes of Assumptions	(1,266)	(407)	(1,673)
Change in Proportion	(15,460)	(1,289)	(16,749)
Total Deferred Inflows	$ (21,374)	$ (1,760)	$ (23,134)

The total of $1,096 reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended August 30, 2024. Other amounts reported above as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Fiscal Year	Retiree Healthcare Plan	Long-Term Disability Plan	Total
2024	$ (11,868)	$ (342)	$ (12,210)
2025	(3,062)	(353)	(3,415)
2026	(529)	(425)	(954)
2027	(364)	(77)	(441)
2028	7	(70)	(63)
thereafter	-	(38)	(38)
	$ (15,816)	$ (1,305)	$ (17,121)

Discount Rate Sensitivity

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the State calculated using the discount rate of 2.16 percent, as well as what the State's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (1.16%) or 1 percent higher (3.16%) than the current rate:

	Retiree Healthcare	Long-Term Disability	Total
1% Decrease 2.54%	$ 6,065	$ 854	$ 6,919
Discount Rate 3.54%	5,866	820	6,686
1% Increase 4.54%	5,667	784	6,451

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the total OPEB liability of the State calculated using the current healthcare cost trend rates as well as what the State's total OPEB liability would be if it were calculated using trend rates that are 1 percent lower or 1 percent higher than the current trend rates:

	Long-Term Disability
1% Decrease	$ 663
Current Trend Rate	820
1% Increase	985

10. OPEB – PERSI SICK LEAVE

The Commission contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI 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 the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Sick Leave 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.

OPEB Benefits:

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

Employer Contributions:

The contribution rate for employers is set by statute at .065% of covered compensation for members. The Commission's contributions were $0 for the year ended August 31, 2024.

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At August 31, 2024, the Commission reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The Commission's proportion of the net OPEB asset was based on the Commission's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2023, the Commission's share was 0.1877697 percent.

For the year ended August 31, 2024,the Commission recognized OPEB expense (expense offset) of ($4,310). reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending August 31, 2024.

Actuarial Assumptions:

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total OPEB liability on the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	5.45%

The long-term expected rate of return on OPEB 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 OPEB 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. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement, thus would have no impact.

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

Discount Rate:

The discount rate used to measure the total OPEB liability was 5.45%. 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 OPEB plan's 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

Asset Class	Target Allocation	Expected Rate of Return (Arithmetic)
Broad U.S. Equity	39.30%	4.90%
Gobal EX U.S. Equity	10.70%	4.78%
Fixed Income	50.00%	0.50%

Sensitivity of the net OPEB asset to changes in the discount rate:

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 5.45 percent, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.45 percent) or 1-percentage-point higher (6.45 percent) than the current rate:

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Employer's proportionate share of the net OPEB liability (asset)	$ (249,243)	$ (268,770)	$ (286,175)

OPEB plan fiduciary net position: Detailed information about the OPEB 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 OPEB plan: At August 31, 2024, the Commission did not have any payables for the defined benefit OPEB plan or any employer contributions withheld from employee wages but not yet remitted to PERSI.

11. RESTATEMENT

The Commission adopted GASB 101, Compensated Absences, during the year. This has caused a restatement of prior year Net Position due to compensated absences that were not previously recognized.

	Governmental Activities
Net Position, Beginning - As Previously Stated	$ 3,748,195
Decrease in Net Position due to adoption of GASB 101	(22,215)
Net Position, Beginning - Restated	$ 3,725,980

12. COMMITTED FUND BALANCE

The Commission has formally committed fund balance amounts for future contractual payments and pledges. The Commission regularly reviews existing commitments for continuance and/or extension. New commitments and extensions are not reported until negotiated terms are complete and final.

The Commission has pledged $125,000 annually to the University of Idaho Foundation, with payments made each September through 2028.

The Commission entered a multi-year contract with Bronco Sports Properties beginning in 2022. Future payments will be $78,633 due in August 2025 and $79,419 due in August 2026.

The Commission entered a multi-year contract with ESPN Productions beginning in 2020. One final payment remained, due December 2024, for $159,000.

REQUIRED SUPPLEMENTARY INFORMATION

Idaho Potato Commission
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Years Ended August 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Potato Tax	$ 15,468,250	$ 15,968,250	$ 14,733,803	$ (1,234,447)
License Fees	-	-	30,400	30,400
Sale of Merchandise	60,000	60,000	44,444	(15,556)
Sale of License Plats	-	-	94,063	94,063
Grants Revenues	80,000	80,000	187,959	107,959
Interest Income	50,000	50,000	161,015	111,015
	15,658,250	16,158,250	15,251,684	(906,566)
Expenditures:				
Personnel Costs	3,323,463	3,323,463	3,053,377	270,086
Travel and Subsistence	941,697	941,697	870,468	71,229
Advertising / Consumer	5,748,025	5,748,025	5,026,847	721,178
Retail Promotion	1,507,000	1,507,000	1,591,838	(84,838)
Food Service Promotion	1,362,000	1,362,000	1,518,167	(156,167)
International Promotion	550,000	1,050,000	1,275,616	(225,616)
Research and Education	1,589,403	1,589,403	1,239,648	349,755
Legal and Audit	64,000	64,000	59,721	4,279
Other Services	185,000	185,000	134,256	50,744
Insurance	5,400	5,400	4,638	762
Communications	79,985	79,985	108,327	(28,342)
Rent	170,332	170,332	140,190	30,142
Repairs and Maintenance	66,000	66,000	55,473	10,527
Office Supplies	30,000	30,000	42,325	(12,325)
Capital Outlay	35,945	35,945	31,585	4,360
	15,658,250	16,158,250	15,152,476	1,005,774
Net Change in Fund Balance	-	-	99,208	99,208
Fund Balance, Beginning	-	-	5,081,243	5,081,243
Fund Balance, Ending	$ -	$ -	$ 5,180,451	$ 5,180,451

1. BUDGETS AND BUDGETARY ACCOUNTING

The Commission's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ended August 31. The Commission's primary funding sources is the potato tax. Because the tax is based on potatoes placed in the normal channels of trade, revenue estimates are based upon the best available information as to the potential crop available to be entered into the normal trade channels. The Commission's annual budget is subject to change within the fiscal year due to actual crop production within both the State and the industry. Although the budget is formally approved by the members of the Commission, they retain the authority to modify the budget during the year.

The Commission follows these procedures in establishing the General Fund budgetary data reflected in the general-purpose financial statements:

A. In July, the Commission's President and staff prepares a budget proposal, based on estimates provided by the Idaho Department of Agriculture on the size of the new crop.

B. In August, the budget proposal is submitted to the Commission for discussion and approval.

C. The approved annual budget is used as a control device for the General Fund.

D. The budget is adopted on a GAAP Basis. Budgetary comparisons presented for the General Fund in this report are on a GAAP Basis.

E. The Commission may approve revisions to the annual budget based on the actual crop size and the funds needed to promote the crop.

Idaho Potato Commission
Schedule of Required Supplemental Information
Public Employees 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 a Percentage of the Total Pension Liability
2024	0.0474201%	$ 1,773,816	$ 2,321,881	76.40%	85.54%
2023	0.0581086%	$ 2,318,924	$ 2,398,859	96.67%	83.83%
2022	0.0621078%	$ 2,446,277	$ 2,450,676	99.82%	83.09%
2021	0.0623461%	$ 1,449,849	$ 2,379,494	60.93%	88.22%
2020	0.0640421%	$ 731,023	$ 2,236,354	32.69%	93.79%
2019	0.0669791%	$ 987,953	$ 2,188,081	45.15%	91.69%
2018	0.0660653%	$ 1,038,433	$ 2,187,925	47.46%	90.68%
2017	0.0676313%	$ 1,370,990	$ 2,033,356	67.42%	87.26%
2016	0.0684221%	$ 901,008	$ 1,984,683	45.40%	91.38%
2015	0.0629471%	$ 463,389	$ 1,925,921	24.06%	94.95%

Data reported is measured as of June 30, 2024

Schedule of Commission Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Commission's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 262,430	$ 262,430	-	$ 2,321,881	11.30%
2023	$ 283,638	$ 283,638	-	$ 2,398,859	11.82%
2022	$ 292,611	$ 292,611	-	$ 2,450,676	11.94%
2021	$ 282,741	$ 282,741	-	$ 2,379,494	11.88%
2020	$ 267,021	$ 267,021	-	$ 2,236,354	11.94%
2019	$ 250,247	$ 250,247	-	$ 2,188,081	11.44%
2018	$ 247,673	$ 247,673	-	$ 2,187,925	11.32%
2017	$ 230,176	$ 230,176	-	$ 2,033,356	11.32%
2016	$ 224,666	$ 224,666	-	$ 1,984,683	11.32%
2015	$ 218,014	$ 218,014	-	$ 1,925,921	11.32%

Data reported is measured as of August 31, 2024

Idaho Potato Commission
Schedule of Changes in OPEB Liability - Healthcare

Last 10 - Fiscal Years*

	Reported as of measurement date June 30, 2023				
	2024	2023	2022	2021	2020
Net OPEB obligation - Prior end of year	$ 7,581	$ 21,335	$ 20,288	$ 40,324	$ 89,162
Change in Proportionate share	(954)	(973)	(2,070)	(1,786)	(57,510)
Net OPEB obligation - beginning of year	6,627	20,362	18,218	38,538	31,652
Service Cost	337	993	863	1,567	1,108
Interest on net OPEB obligation	214	439	403	1,328	1,179
Plan changes	-	(9,659)	-	(3,240)	
Economic/Demographic Gains (Losses)	1,424	(117)	3,470	(19,436)	-
Differences in experience/changes of assumptions or other inputs	(27)	(2,442)	149	5,941	11,006
Benefit payments	(1,889)	(1,995)	(1,768)	(4,410)	(4,621)
Net change in net OPEB obligation	59	(12,781)	3,117	(18,250)	8,672
Net OPEB obligation - end of year	$ 6,686	$ 7,581	$ 21,335	$ 20,288	$ 40,324
Employer's covered-employee payroll	$ 2,321,881	$ 2,398,859	$ 2,450,676	$ 2,379,494	$ 2,236,354
Employer's net OPEB liability as a percentage of covered-employee payroll	0.29%	0.32%	0.87%	0.85%	1.80%

	2019
Net OPEB obligation - Prior end of year	$ 131,576
Change in Proportionate share	-
Net OPEB obligation - beginning of year	131,576
Service Cost	5,068
Interest on net OPEB obligation	4,598
Plan changes	
Economic/Demographic Gains (Losses)	2,298
Differences in experience/changes of assumptions or other inputs	(37,838)
Benefit payments	(16,540)
Net change in net OPEB obligation	(42,414)
Net OPEB obligation - end of year	$ 89,162
Employer's covered-employee payroll	$ 2,188,081
Employer's net OPEB liability as a percentage of covered-employee payroll	4.07%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Idaho Potato Commission will present information for those years for which information is available.

Data reported is measured as of June 30, 2023

Idaho Potato Commission
Schedule of Changes in OPEB Asset - Sick Leave

PERSI - Sick Leave
Last 10 - Fiscal Years*

	Reported as of measurement date June 30, 2023				
	2024	2023	2022	2021	2020
Employer's portion of net OPEB asset	0.1877697%	0.1877697%	0.1877697%	0.1877697%	0.2001216%
Employer's proportionate share of net OPEB asset	$ 268,770	$ 265,632	$ 341,655	$ 265,042	$ 252,097
Employer's covered-employee payroll	$ 2,321,881	$ 2,398,859	$ 2,450,676	$ 2,379,494	$ 2,236,354
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	11.58%	11.07%	13.94%	11.14%	11.27%
Plan Fiduciary net position as a percentage of the total OPEB asset	223.73%	237.30%	274.55%	251.29%	226.97%

	2019
Employer's portion of net OPEB asset	0.2042610%
Employer's proportionate share of net OPEB asset	$ 234,430
Employer's covered-employee payroll	$ 2,188,081
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	10.71%
Plan Fiduciary net position as a percentage of the total OPEB asset	225.45%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Idaho Potato Commission will present information for those years for which information is available.

Data reported is measured as of June 30, 2023

Idaho Potato Commission
Schedule of Employer OPEB Contributions - Sick Leave

PERSI - Sick Leave
Last 10 - Fiscal Years*

	Reported as of measurement date August 31, 2023				
	2024	2023	2022	2021	2020
Statutorily required contribution	$ -	$ -	$ -	$ 8,435	$ 14,536
Contributions in relation to the statutorily required contribution	-	-	-	8,435	14,536
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 2,321,881	$ 2,398,859	$ 2,450,676	$ 2,379,494	$ 2,236,354
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.35%	0.65%

	2019
Statutorily required contribution	$ 14,223
Contributions in relation to the statutorily required contribution	14,223
Contribution (deficiency) excess	$ -
Employer's covered-employee payroll	$ 2,188,081
Contributions as a percentage of covered-employee payroll	0.65%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Idaho Potato Commission will present information for those years for which information is available.

Data reported is measured as of August 31, 2024

OTHER SUPPLEMENTARY INFORMATION

Idaho Potato Commission
Schedule of Expenditures Expressed in Percentages
For the Years Ended August 31, 2024, 2023, 2022, 2021, 2020, and 2019

	2024	2023	2022
Expenditures:			
Personnel Costs	20.2%	22.4%	20.9%
Travel and Subsistence	5.7%	5.4%	5.0%
Advertising / Consumer	33.2%	30.6%	38.3%
Retail Promotion	10.5%	12.2%	9.1%
Food Service Promotion	10.0%	9.2%	8.1%
International Promotion	8.4%	4.9%	3.0%
Research and Education	8.2%	11.6%	11.3%
Legal and Audit and Other	3.8%	3.6%	4.2%
	100.0%	100.0%	100.0%

	2021	2020	2019
Expenditures:			
Personnel Costs	22.9%	22.5%	22.5%
Travel and Subsistence	2.4%	3.1%	3.1%
Advertising / Consumer	34.6%	32.4%	32.4%
Retail Promotion	12.4%	14.1%	14.1%
Food Service Promotion	8.4%	7.2%	7.2%
International Promotion	4.5%	3.5%	3.5%
Research and Education	10.8%	14.0%	14.0%
Legal and Audit and Other	4.0%	3.4%	3.4%
	100.0%	100.0%	100.0%

Idaho Potato Commission
Comparative Schedule of Revenues and Expenditures
For the Years Ended August 31, 2024 and 2023

	2024		2023		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:						
Potato Tax	$ 14,733,803	96.6%	$ 13,010,814	97.3%	$ 1,722,989	11.3%
Seed Assessments	-	0.0%	90,495	0.7%	(90,495)	-0.6%
License Fees	30,400	0.2%	17,790	0.1%	12,610	0.1%
Sale of Merchandise	44,444	0.3%	55,072	0.4%	(10,628)	-0.1%
Sale of License Plates	94,063	0.6%	93,550	0.7%	513	0.0%
Grants Revenues	187,959	1.2%	-	0.0%	187,959	1.2%
Penalties	-	0.0%	-	0.0%	-	0.0%
Interest Income	161,015	1.1%	106,854	0.8%	54,161	0.4%
	15,251,684	100.0%	13,374,575	100.0%	1,877,109	12.3%
Expenditures:						
Personnel Costs	3,053,377	20.0%	3,165,698	23.7%	(112,321)	-0.7%
Travel and Subsistence	870,468	5.7%	764,292	5.7%	106,176	0.7%
Advertising / Consumer	5,026,847	33.0%	4,325,349	32.3%	701,498	4.6%
Retail Promotion	1,591,838	10.4%	1,721,821	12.9%	(129,983)	-0.9%
Food Service Promotion	1,518,167	10.0%	1,292,492	9.7%	225,675	1.5%
International Promotion	1,275,616	8.4%	698,806	5.2%	576,810	3.8%
Research and Education	1,239,648	8.1%	1,641,268	12.3%	(401,620)	-2.6%
Legal and Audit	59,721	0.4%	55,674	0.4%	4,047	0.0%
Other Services	134,256	0.9%	127,859	1.0%	6,397	0.0%
Insurance	4,638	0.0%	401	0.0%	4,237	0.0%
Communications	108,327	0.7%	93,062	0.7%	15,265	0.1%
Rent	140,190	0.9%	137,639	1.0%	2,551	0.0%
Repairs and Maintenance	55,473	0.4%	58,681	0.4%	(3,208)	0.0%
Office Supplies	42,325	0.3%	29,173	0.2%	13,152	0.1%
Capital Outlay	31,585	0.2%	11,698	0.1%	19,887	0.1%
	15,152,476	99.3%	14,123,913	105.6%	1,028,563	6.7%
Excess Revenues (Expenditures)	$ 99,208	0.7%	$ (749,338)	-5.6%	$ 848,546	5.6%

Idaho Potato Commission
Schedule of Administrative Expenditures
For the Years Ended August 31, 2024 and 2023

	2024	2023
Personnel costs	$ 3,053,377	$ 3,165,698
Travel and Subsistence	323,097	299,960
Legal and Audit	59,721	55,674
Other Services	134,256	127,859
Insurance	4,638	401
Communications	66,901	50,033
Rent	140,190	137,639
Repairs and Maintenance	55,473	58,681
Office and Other Supplies	42,325	29,173
Capital Outlay	31,585	11,698
Total Administrative Expenditures	$ 3,911,563	$ 3,936,816
Percentage of Total Expenditures	25.81%	27.87%

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
Zwygart John & Associates CPAs, PLLC
16130 North Merchant Way, Suite 120 ◆ Nampa, Idaho 83687
Phone: 208-459-4649 ◆ FAX: 208-229-0404

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 Potato Commission
Eagle, 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, each major fund, and the aggregate remaining fund information of Idaho Potato Commission, as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise Idaho Potato Commission's basic financial statements, and have issued our report thereon dated December 9, 2024.

Internal Control over Financial Reporting

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

December 9, 2024