# IDAHO RANGELAND RESOURCES 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 Rangeland Resources Commission
Emmett, Idaho

## Report on the Audit of the Financial Statements

## Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of Idaho Rangeland Resources Commission, as of June 30, 2024, and the respective changes in financial position thereof 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 *Idaho Rangeland Resources 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

Idaho Rangeland Resources 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 Idaho Rangeland Resources 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 GAAS 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 GAAS 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 Idaho Rangeland Resources 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 Idaho Rangeland Resources 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 budgetary comparison information, schedule of the Commission's proportionate share of the net pension liability, and the schedule of Commission contributions, on pages 25 – 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024, on our consideration of the Idaho Rangeland Resources 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 Rangeland Resources Commission's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
October 1, 2024

**Idaho Rangeland Resources Commission**
Statement of Net Position
June 30, 2024

| | Governmental Activities |
|---|---|
| **Assets** | |
| Current Assets: | |
| Cash and Cash Equivalents | $ 354,231 |
| Receivables, Net | 14,550 |
| Total Current Assets | 368,781 |
| Noncurrent Assets: | |
| Capital Assets: | |
| Vehicles | 150,508 |
| Computers & Office Equipment | 2,413 |
| Less: Accumulated Depreciation | (55,957) |
| Total Noncurrent Assets | 96,964 |
| **Total Assets** | 465,745 |
| **Deferred Outflows** | |
| Pension Related Items | 59,207 |
| Total Deferred Outflows | 59,207 |
| **Liabilities** | |
| Current Liabilities: | |
| Accounts Payable | 756 |
| Accrued Payroll and Payroll Taxes | 10,662 |
| Compensated Absences | 17,905 |
| Long-Term Liabilities: | |
| Due in More Than One Year: | |
| Net Pension Liability | 105,820 |
| **Total Liabilities** | 135,143 |
| **Deferred Inflows** | |
| Pension Related Items | - |
| Total Deferred Inflows | - |
| **Net Position** | |
| Net investment in Capital Assets | 96,964 |
| Unrestricted Surplus | 292,845 |
| **Total Net Position** | $ 389,809 |

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

**Idaho Rangeland Resources Commission**
Statement of Activities
For Year Ended June 30, 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: | | | | | |
| General Government | $ 451,752 | $ - | $ 203,631 | $ - | $ (248,121) |
| **Total Governmental Activities** | $ 451,752 | $ - | $ 203,631 | $ - | (248,121) |

| | |
|---|---|
| General Revenues: | |
| Assessments | 194,961 |
| License Plates | 92,630 |
| Interest Income | 13,237 |
| Miscellaneous | 22,144 |
| Total General Revenues and Special Items | 322,972 |
| Change in Net Positions | 74,851 |
| Net Positions, Beginning of Year | 314,958 |
| Net Positions End of Year | $ 389,809 |

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

**Idaho Rangeland Resources Commission**
Balance Sheet -
Governmental Fund
June 30, 2024

| | General Fund |
|---|---|
| **Assets** | |
| Cash and Cash Equivalents | $ 354,231 |
| Receivables, Net | 14,550 |
| Total Assets | $ 368,781 |
| **Liabilities and Fund Balance** | |
| Liabilities: | |
| Accounts Payable | $ 756 |
| Salaries and Benefits Payable | 10,662 |
| Total Liabilities | 11,418 |
| Fund Balance: | |
| Unassigned | 357,363 |
| Total Fund Balance | 357,363 |
| Total Liabilities and Fund Balance | $ 368,781 |

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

**Idaho Rangeland Resources Commission**
Reconciliation of the Balance Sheet of the Governmental
Fund to the Statement of Net Positions
June 30, 2024

| | | |
|---|---|---|
| Total Fund Balances - Governmental Funds | | $ 357,363 |
| 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: | | |
| Capital Assets, Net of $55,957 Accumulated Depreciation | | 96,964 |
| 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 Positions. | | |
| Compensated Absences | | (17,905) |
| 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 Asset | $ (105,820) | |
| Pension Related Deferred Outflows | 59,207 | |
| | | (46,613) |
| Total Net Positions-Governmental Activities | | $ 389,809 |

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

**Idaho Rangeland Resources Commission**
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2024

| | General Fund |
|---|---|
| **Revenues** | |
| Assessments | $ 195,677 |
| Less: Requested Refunds | (716) |
| Total Assessments Revenue | 194,961 |
| Grants and Contributions | 203,631 |
| License Plate | 92,630 |
| Tresspass Fines | 22,144 |
| Interest Income | 13,237 |
| Total Revenues | 526,603 |
| **Expenditures** | |
| Current: | |
| Payroll Expenses | 221,929 |
| Bank Charges | 240 |
| Education Expenses | 88,321 |
| Insurance | 1,957 |
| Postage & Freight | 248 |
| Professional Fees | 6,824 |
| Public Relations | 72,289 |
| Rent | 18,000 |
| Telephone | 1,136 |
| Research/Industry Expense | 5,056 |
| Capital Outlay | 67,219 |
| Total Expenditures | 483,219 |
| **Net Change in Fund Balance** | 43,384 |
| **Fund Balance - Beginning** | 313,979 |
| **Fund Balance - Ending** | $ 357,363 |

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

**Idaho Rangeland Resources Commission**
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2024

| | | |
|---|---|---|
| Total Net Change in Fund Balance - Governmental Funds | | $ 43,384 |
| 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. | | |
| Capital Outlays | $ 66,919 | |
| Depreciation Expense | (25,498) | |
| | | 41,421 |
| 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 | | 1,295 |
| 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. | | (11,249) |
| Change in Net Positions of Governmental Activities | | $ 74,851 |

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The accompanying financial statements present the activities of the Idaho Rangeland Resources Commission, (the Commission). The Commission was created by Chapter 14, Title 58, Idaho Code, which was passed by the legislature and signed by Gov. Cecil Andrus during the 1994 legislative session. The Commission's mission is to provide programs that result in an informed public that understands and supports balanced, responsible management of Idaho's economically vital public and private rangelands. Activities of the Commission are financed primarily through mandatory assessments to owners of dry grazing land and fees based on animal unit months on all domestic cattle and sheep utilizing state grazing lands, United States Forest Service lands, and the Bureau of Land Management lands in the state of Idaho. The Commission may also receive grants, donations and gifts from the general public.

### B. Basis of Presentation, Basis of Accounting

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 mandatory assessments to on grazing
.
The Statement of Activities presents a comparison between direct expenses and program revenues 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 are 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:

- *Nonspendable.* Balances in permanent funds, prepaid expenses, 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.

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 considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less. Investments maintained in the investment pool, regardless of maturity are considered cash equivalents. See Note 2.

Inventory

Inventory consists of informational items held to educate the public and for sale. Inventory is stated at the lower of cost-or-market. Inventory is expenses on a first in first out basis.

Receivables

All trade and assessment receivables are shown net of an allowance for uncollectable. As of June 30, 2024, there was no allowance for uncollectable 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 |
|---|---|---|---|
| Vehicles | $ 250 | Straight-line | 5 years |
| Computer & Office Equipment | $ 250 | Straight-line | 5 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.

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 Commission's deposits were $26,701. The respective bank balances totaled $42,011. 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, the government's deposits may not be returned. As of June 30, 2024, 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's policy requires all commercial bank deposits to be covered by FDIC depository insurance. 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 Statue. 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 voluntarily participates in the State of Idaho Investment Pool, which was not rated. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the Commission's investment in the pool is the same as the value of the pool shares. 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 Commissions, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts, and repurchase agreements.

The Commission's investments at June 30, 2024, are summarized below:

| | | Investment Maturities (in Years) | |
|---|---|---|---|
| Investment | Fair Value | Less than 1 | 1 - 5 |
| External Investment Pool | $ 327,530 | $ 327,530 | $ - |

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

| | Governmental Activities |
|---|---|
| Cash and cash equivalents | $ 27,553 |
| Investments categorized as deposits | 327,530 |
| | $ 355,083 |

3. 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.

4. COMPENSATED ABSENCES

Vacation leave is granted to all regular Commission employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. Changes in vacation leave during the year are as follows:

| | 6/30/2023 | Earned | Used | 6/30/2024 | Current Portion |
|---|---|---|---|---|---|
| Governmental Activities | $ 19,200 | $ 15,246 | $ (16,542) | $ 17,905 | $ 17,905 |

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

| | Balance 6/30/2023 | Additions | Disposals | Balance 6/30/2024 |
|---|---|---|---|---|
| Capital Assets Being Depreciated: | | | | |
| Vehciles | $ 84,461 | $ 66,047 | $ - | $ 150,508 |
| Computer and Office Equipment | 1,541 | 872 | - | 2,413 |
| Total Historical Cost | 86,002 | 66,919 | - | 152,921 |
| Less: Accumulated Depreciation | | | | |
| Accumulated Depreciation | 30,459 | 25,498 | - | 55,957 |
| Total Acc. Depr. | 30,459 | 25,498 | - | 55,957 |
| Capital Assets - Net | $ 55,543 | $ 41,421 | $ - | $ 96,964 |

6. PENSION PLAN

Plan Description

Idaho Rangeland Resources 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 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 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 Rangeland Resources Commission's contributions were $17,978 for 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 Rangeland Resources Commission reported a liability (asset) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Idaho Rangeland Resources Commission's proportion of the net pension liability (asset) was based on Idaho Rangeland Resources 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 Rangeland Resources Commission's proportion was 0.0026517 percent.

For the year ended June 30, 2024, Idaho Rangeland Resources Commission recognized pension expense (revenue) of $ 29,226 . At June 30, 2024, Idaho Rangeland Resources 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 | $ 18,138 | $ - |
| Changes in assumptions or other inputs | 10,478 | - |
| Net difference between projected and actual earnings on pension plan investments | 9,933 | - |
| Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | 2,680 | - |
| Idaho Rangeland Resources Commission's contributions subsequent to the measurement date | 17,978 | - |
| Total | $ 59,207 | $ - |

$17,978 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 4.6 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 |
|---|---|
| 2024 | $ 33,263 |
| 2025 | 7,546 |
| 2026 | 20,041 |
| 2027 | (1,643) |
| 2028 | - |

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, 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 | 6.35%, net of investment expenses |
| Cost-of-living adjustments | 1% |

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

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

Assumptions used to calculate the enclosed figures are described in our 2023 Experience Study. The Total Pension Liability as of June 30, 2023 is based on the results of an actuarial valuation date July 1, 2021.

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 | |
|---|---|
| Fixed Income | 30% |
| US/Global Equity | 55% |
| International Equity | 15% |
| Cash | 0% |
| Total | 100% |

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) | $ 190,321 | $ 105,820 | $ 36,756 |

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.

# REQUIRED SUPPLEMENTARY INFORMATION

**Idaho Rangeland Resources Commission**
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended June 30, 2024

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance |
| **Revenues** | | | | |
| AUM Assessments | $ 192,000 | $ 192,000 | $ 195,677 | $ 3,677 |
| Less: Requested Refunds | (1,000) | (1,000) | (716) | 284 |
| Total AUM Assessments Revenue | 191,000 | 191,000 | 194,961 | 3,961 |
| Grants and Contributions | 153,000 | 153,000 | 203,631 | 50,631 |
| License Plate | 83,000 | 83,000 | 92,630 | 9,630 |
| Trespass Fines | 20,000 | 20,000 | 22,144 | 2,144 |
| Interest Income | 4,500 | 4,500 | 13,237 | 8,737 |
| Total Revenues | 451,500 | 451,500 | 526,603 | 75,103 |
| **Expenditures** | | | | |
| Current: | | | | |
| Payroll Expenses | 218,313 | 218,313 | 221,929 | (3,616) |
| Bank Charges | 200 | 200 | 240 | (40) |
| Education Expenses | 89,000 | 89,000 | 88,321 | 679 |
| Insurance | 3,000 | 3,000 | 1,957 | 1,043 |
| Office Supplies | 600 | 600 | - | 600 |
| Postage & Freight | 232 | 232 | 248 | (16) |
| Professional Fees | 7,100 | 7,100 | 6,824 | 276 |
| Public Relations | 79,120 | 79,120 | 72,289 | 6,831 |
| Rent | 18,000 | 18,000 | 18,000 | - |
| Telephone | 1,500 | 1,500 | 1,136 | 364 |
| Research/Industry Expense | 10,650 | 10,650 | 5,056 | 5,594 |
| Capital Outlay | 70,000 | 70,000 | 67,219 | 2,781 |
| Total Expenditures | 497,715 | 497,715 | 483,219 | 14,496 |
| **Net Change in Fund Balance** | (46,215) | (46,215) | 43,384 | 89,599 |
| **Fund Balance - Beginning** | 313,979 | 313,979 | 313,979 | - |
| **Fund Balance - Ending** | $ 267,764 | $ 267,764 | $ 357,363 | $ 89,599 |

1. BUDGETS AND BUDGETARY ACCOUNTING

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

A. Prior to June 1, the Commission prepare 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. Public hearings are conducted at the Commission Hall to obtain taxpayer comments.

C. Prior to July 1, the budget is legally passed.

D. The Commission by following the same budgetary procedures used to adopt the original budget, may amend it to a greater amount, if additional revenue will accrue to the Commission as a result of an increase in revenues.

E. Formal budgetary integration is employed as a management control device during the year for the General fund.

F. The budget for the General fund are adopted on a basis consistent with generally accepted accounting principles.

G. Expenditures may not legally exceed budgeted appropriations at the fund level. The Commission does not use the encumbrance method of accounting.

**Idaho Rangeland Resrouces Commission**
Schedules 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 | 0.0026517% | $ 105,820 | $ 160,506 | 65.93% | 83.83% |
| 2023 | 0.0026879% | 107,987 | 112,747 | 93.90% | 83.09% |
| 2022 | 0.0026796% | (2,116) | 106,000 | -2.00% | 100.36% |
| 2021 | 0.0027333% | 63,471 | 100,000 | 63.47% | 88.22% |
| 2020 | 0.0022379% | 25,545 | 97,484 | 26.20% | 93.79% |
| 2019 | 0.0022474% | 33,150 | 76,009 | 43.61% | 91.69% |

Data reported is measured as of June 30, 2023

**Schedule of Commission's Contributions**

| Year | Contractually required contributions | Contributions in relation to the contractually required contributions | Contributions deficiency (excess) | Commission's covered-employee payroll | Contributions as a percentage of covered-employee payroll |
|---|---|---|---|---|---|
| 2024 | $ 17,978 | $ 17,978 | $ - | $ 160,506 | 11.20% |
| 2023 | 13,462 | 13,462 | - | 112,747 | 11.94% |
| 2022 | 12,656 | 12,656 | - | 106,000 | 11.94% |
| 2021 | 11,940 | 11,940 | - | 100,000 | 11.94% |
| 2020 | 11,621 | 11,621 | - | 97,484 | 11.92% |
| 2019 | 8,604 | 8,604 | - | 76,009 | 11.32% |

Data reported is measured as of June 30, 2024

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

# FEDERAL REPORT

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## Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Commissioners
Idaho Rangeland Resources Commission
Emmett, 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 Rangeland Resources Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Idaho Rangeland Resources Commission's basic financial statements, and have issued our report thereon dated October 1, 2024.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Idaho Rangeland Resources 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 Rangeland Resources Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Idaho Rangeland Resources 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. We did identify certain deficiencies in internal controls, described in the schedule of findings that we consider to be significant deficiencies.

2024-001: Expenditure Approvals
Inherent in an adequate internal control structure is an expenditure approval process that requires signatures or other forms of approval. The Commission lacks a consistent application of this expenditure approval process. The lack of an expense approval process increases the risk of unwarranted purchases and improper use of governmental funds. Management should look into the cost benefit of implementing oversight and consistency to accomplish proper internal control procedures over expenditures and implement these changes accordingly, if possible.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Idaho Rangeland Resources 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*.

**Idaho Rangeland Resources Commission's Response to Findings**

Idaho Rangeland Resources commission's response to the findings identified in our audit is described in the accompanying Schedule of Findings. Idaho Rangeland Resources Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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
October 1, 2024

2024-001: Expenditure Approvals

The board will look into the cost/benefit of realigning job descriptions and duties to accomplish proper internal control procedures over cash and cash equivalents and the related transactions and, if possible, implement those changes accordingly.

If there are any questions regarding this plan, contact the Commission at (208) 398-7002.