IDAHO WHEAT COMMISSION

Report on Audited
Basic
Financial Statements
and
Additional Information

For the Year Ended June 30, 2024

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Management's Discussion and Analysis

The Idaho Wheat Commission's (the Commission) management's discussion and analysis provides a narrative overview of the Commission's financial performance for the fiscal year ended June 30, 2024. It should assist the reader in grasping the significant financial issues and activities, as well as identifying significant changes in the finances. The information presented here focuses on the current year's activities, resulting changes, and currently known facts, and is intended to be read in conjunction with the Wheat Commission's financial statements that follow.

Financial Highlights

- At the close of the fiscal year ended June 30, 2024, the net position of the Idaho Wheat Commission was $5,708,253 a 16% increase over last fiscal year.

- The Commission's total revenues in FY2024 increased by $854,212 (28.02%) from FY2023 revenues due to an increase in the assessment collected by the Commission effective July 1, 2023. Comparatively, revenue increased by $423,611 (16.14%) from FY2022 to FY2023 due to a lessening of drought conditions from the previous year.

- Program expenses during the 2024 fiscal year decreased by 1.58% ($49,804) over the previous year. Program expenses decreased 1.40% ($44,952) from the 2022 to the 2023 fiscal year due to a slightly lower amount allocated to research.

Overview of the Financial Statements

This annual report consists of a series of financial statements, which fall under the following four categories: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the basic financial statements, and 4) required supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* and *Statement of Activities* report information about the Commission and its activities which can be used to determine whether the Commission as a whole is better or worse off as a result of the year's activities. These statements report the Commission's net assets and changes in them. Over time, increases or decreases in the Commission's net assets are indications of whether its financial health is improving or deteriorating.

The *Statement of Net Position* includes all the Commission's investments in resources (assets) and the obligations to creditors (liabilities), with the difference between the two reported as net position (assets). It provides the basis for evaluating the capital structure, and for assessing the liquidity and financial flexibility of the Commission.

The *Statement of Activities* presents information showing how the Commission's net position (assets) changed during the most recent fiscal year. It measures the success of the Commission's operations over the past year and can be used to determine if the Commission has successfully recovered its costs through its tax rates.

These reports use an accrual basis of accounting, which is similar to the accounting used by the most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

In the Statement of Net Position and Statement of Activities, the Commission presents Governmental activities. All of the Commission's basic services are reported here. Tax assessments from the sale of Wheat fund all of the Commission's activities.

Fund Financial Statements

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Basic Financial Statements

Notes are included to provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis of the Idaho Wheat Commission
Table 1

Statement of Net Position

Statement of Net Position	Governmental Activities	
	2023 – 2024	**2022 – 2023**
Assets		
Cash and Equivalents	$ 4,567,599	$ 4,462,462
Receivables, Net	680,163	361,415
Funds Held in Trust by PNW Wheat Quality Council	4,750	4,750
Leases Receivable, Current	-	15,881
Capital Assets:		
Construction in Progress	304,377	224,072
Depreciable Capital Assets, Net	605,445	639,224
Total Capital Assets, Net	909,822	863,296
Net OPEB Asset	35,050	34,641
Total Assets	6,197,384	5,742,445
Deferred Outflows		
OPEB-Healthcare & Long-term Disability	1,730	3,405
OPEB-Sick Leave	6,462	7,384
Pension Related Items	125,939	215,217
Total Deferred Outflows	134,131	226,006
Liabilities		
Accounts Payable	264,101	609,484
Payroll and Benefits Payable	20,826	20,615
Long-Term Liabilities		
Due Within One Year:		
Compensated Absences	18,830	13,636
Due in More Than One Year:		
Compensated Absences	6,276	4,545
Net Pension Liability	238,712	339,763
Net OPEB Liability-Healthcare & Long-term Disability	1,028	1,664
Total Liabilities	549,773	989,707
Deferred Inflows		
Leases Receivable Deferred Inflows	-	15,881
OPEB-Healthcare & Long-term Disability	5,280	8,827
OPEB-Sick Leave	3,841	5,188
Pension Related Items	64,368	36,820
	73,489	66,716
Net Position		
Net Investment in Capital Assets	909,822	863,296
Unrestricted Surplus	4,798,431	4,048,732
Total Net Position	$ 5,708,253	$ 4,912,028

In FY2024, the Commission's combined net position was higher than the previous fiscal year, increasing by 16% ($796,225) from $4,912,028 in the year ending June 30, 2023 to $5,708,253 as of June 30, 2024. In comparison, net position at the close of the 2023 fiscal year decreased by 2.15% over the previous year.

Table 2
Statement of Activities

	Governmental Activities			
	2023 - 2024	**2022 - 2023**	**Change**	**2021 - 2022**
Revenues				
General Revenues:				
Wheat Assessments	$ 3,599,107	$ 2,832,838	$ 766,269	$ 2,542,324
Interest Income	219,984	141,846	78,138	12,011
Program Revenues:				
Charges for Services and Sales	82,525	73,771	8,754	70,861
Miscellaneous	1,510	459	1,051	107
Total Revenues	3,903,126	3,048,914	854,212	2,625,303
Program Expenses				
Governmental Activities:				
Marketing	786,592	859,641	(73,049)	811,654
Research	1,010,985	1,090,420	(79,435)	1,281,552
Communication and Education	1,087,036	999,366	87,670	925,484
Administration	211,585	195,287	16,298	162,408
Capital Outlay	10,703	11,991	(1,288)	20,559
Total Expenses	3,106,901	3,156,705	(49,804)	3,201,657
Change in Net Positions	796,225	(107,791)	904,016	(576,354)
Net Positions, Beginning - Previously Stated	4,912,028	5,019,819	(107,791)	5,596,172
Net Positions, End of Year	$ 5,708,253	$ 4,912,028	$ 796,225	$ 5,019,818

The Statement of Activities shows how the Commission's net position changed during the fiscal years 2023 and 2024. The net position increased by 16% ($796,225) during the 2024 fiscal year. A closer examination to understand the source of change in net positions reveals that:

In FY2024 the Commission's total revenues increased by $854,212 (28.02%), due to an increase in the assessment collected by the Commission as of July 1, 2023. Program expenses, meanwhile, decreased by $49,804 (1.58%) in FY2024. Research spending decreased by $79,435 from FY2023 to FY2024 due to fewer new projects funded and some awarded money going unspent due to operational complications. Marketing spending decreased by $73,049 due to cyclical overseas travel schedules and Communication & Education spending increased by $87,670 because of inflation.

- Comparatively, revenue increased by $423,611 (16.13%) from FY2022 to FY2023 due to a lessening of drought conditions. Program expenses, meanwhile, decreased by $44,952 (1.42%) in FY2023. Research spending decreased by $191,132 from FY2022 to FY2023 due to fewer new projects funded and some awarded money going unspent due to partner staffing issues. Marketing spending increased by $47,987 and Communication & Education spending increased by $73,882 because of inflation causing an increase in costs for programs and travel.

The Commission's Funds

Focus on the Commission's governmental funds provides information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the Idaho Wheat Commission completed the year, its general fund (as presented in the balance sheet on page 15) reported a combined fund balance of $4,967,585, an increase of $769,057 in comparison with the prior year. The primary reasons for the increase mirror the analysis highlighted previously. The entire fund balance amount constitutes unreserved fund balance, which is available for spending at the commission's discretion.

Significant Budget Variances:

All of the significant budget variances in FY2024 were in the positive category, meaning actual expenses were below the approved budget. Almost all were due to a conservative fiscal approach by IWC commissioners and staff. Additionally, some research projects funded by the Commission did not utilize all awarded funds due to staffing retention issues and logistical complications. Lack of funding from other sources to public universities severely limited the research that could be done. Communications, Outreach, and Programs were at or slightly above budget because inflation increased costs.

Capital Assets and Long-Term Liabilities

At the end of FY2024, the Idaho Wheat Commission had $909,822 invested in capital assets after depreciation, which includes the IWC building and improvements and some preliminary costs associated with the proposed new building. This amount represents a net increase of $46,526, or 5.39%, from last year.

Table 3
Capital Assets

	Balance 6/30/2023	Additions	Disposals	Balance 6/30/2024
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 224,072	$ 80,305	$ -	$ 304,377
Capital Assets Being Depreciated:				
Building	1,238,516	-	-	1,238,516
Improvements	38,878	-	-	38,878
Equipment	12,386	-	-	12,386
Total Historical Cost	1,289,780	-	-	1,289,780
Less: Accumulated Depreciation				
Building	619,113	30,963	-	650,076
Improvements	19,057	2,816	-	21,873
Equipment	12,386	-	-	12,386
Total Acc. Depr.	650,556	33,779	-	684,335
Capital Assets - Net	$ 863,296	$ 46,526	$ -	$ 909,822

The Commission's 2025 fiscal year capital budget has set aside $12,000,000 for building construction. The project's anticipated start date is April 2025 with a projected completion date in summer or fall 2026. The Commission has budgeted for the full amount of construction costs in FY 2025, even though it is unlikely that the full amount of construction costs will be incurred.

Debt Administration

The construction of a new building in the future, will be financed by a combination of cash reserves (appox. $3.0 million) and a bond issued through the State Building Authority (approx. $11.0 million).

Economic Factors and Next Year's Budgets and Rates

Spending on FY2025 programs is budgeted similar to what was spent in FY2024. At its budget meeting in June 2024, the commission approved a FY2025 expense budget of $3,433,506. Wheat acreage is expected to remain steady with average yields and pricing used to project wheat assessment revenues at $3,832,898.

Requests for Information

This financial report is designed to provide all those interested with an overview of the Idaho Wheat Commission's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Britany Hurst Marchant.

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Independent Auditor's Report

Board of Commissioners
Idaho Wheat Commission
Boise, Idaho

Report on the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of Idaho Wheat 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 the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of the Commission's proportionate share of the net pension and OPEB liability, and schedule of Commission contributions on pages i through vii and 41 through 45 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2024, on our consideration of the Idaho Wheat 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 Wheat Commission's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
September 19, 2024

Idaho Wheat Commission
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 4,567,599
Receivables, Net	680,163
Funds Held in Trust by PNW Wheat Quality Council	4,750
Capital Assets:	
Construction in Progress	304,377
Depreciable Capital Assets, Net	605,445
Total Capital Assets, Net	909,822
Net OPEB Asset - Healthcare & Long-term Disability	35,050
Total Assets	6,197,384
Deferred Outflows	
OPEB - Healthcare & Long-term Disability	1,730
OPEB - Sick Leave	6,462
Pension Related Items	125,939
Total Deferred Outflows	134,131
Liabilities	
Accounts Payable and Other Current Liabilities	264,101
Payroll and Benefits Payable	20,826
Long-Term Liabilities	
Due Within One Year	
Compensated Absences	18,830
Due in More Than One Year	
Compensated Absences	6,276
Net Pension Liability	238,712
Net OPEB Liability-Healthcare & Long-term Disability	1,028
Total Liabilities	549,773
Deferred Inflows	
OPEB - Healthcare & Long-term Disability	5,280
OPEB - Sick Leave	3,841
Pension Related Items	64,368
Total Deferred Inflows	73,489
Net Position	
Net investment in Capital Assets	909,822
Unrestricted Surplus	4,798,431
Total Net Position	$ 5,708,253

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

Idaho Wheat 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:					
Market Development	$ 786,592	$ -	$ -	$ -	$ (786,592)
Research	1,010,985	-	-	-	(1,010,985)
Communication and Education	1,087,036	-	-	-	(1,087,036)
Administration	211,585	82,525	-	-	(129,060)
Capital Outlay	10,703	-	-	-	(10,703)
Total Governmental Activities	$ 3,106,901	$ 82,525	$ -	$ -	(3,024,376)

General Revenues:	
Wheat Assessments	3,599,107
Interest Income	219,984
Miscellaneous	1,510
Total General Revenues and Special Items	3,820,601
Change in Net Positions	796,225
Net Positions, Beginning of Year	4,912,028
Net Positions End of Year	$ 5,708,253

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

Idaho Wheat Commission
Balance Sheet - Governmental Funds
June 30, 2024

	General Fund
Assets	
Cash and Cash Equivalents	$ 4,567,599
Receivables, Net	680,163
Funds Held in Trust by PNW Wheat Quality Council	4,750
Total Assets	$ 5,252,512
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	$ 264,101
Salaries and Benefits Payable	20,826
Total Liabilities	284,927
Fund Balance	
Assigned Fund Balance	2,968,741
Unassigned Fund Balance	1,998,844
Total Fund Balance	4,967,585
Total Liabilities and Fund Balance	$ 5,252,512

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

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

Total Fund Balances - Governmental Funds		$ 4,967,585
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:		
Construction in Progress	$ 304,377	
Depreciable Capital Assets, Net of $684,335 Accumulated Depreciation	605,445	
		909,822
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		(25,106)
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	$ (238,712)	
Pension Related Deferred Inflows	(64,368)	
Pension Related Deferred Outflows	125,939	
		(177,141)
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 Asset	$ 35,050	
Net OPEB Liability	(1,028)	
OPEB Related Deferred Inflows	(9,121)	
OPEB Related Deferred Outflows	8,192	
		33,093
Total Net Positions-Governmental Activities		$ 5,708,253

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

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

	General Fund
Revenue	
Ag Commission Revenue	$ 3,599,107
Rental Revenue	82,525
Investment Income	221,494
Total Revenue	3,903,126
Expenditures	
Current:	
Personnel Expenses	510,264
Supplies & Materials	8,498
Professional Services	878,977
Advertising & Promotion	636,113
Other Operating Expense	972,428
Other Non Operating Expense	14,000
Capital Outlay	113,789
Total Expenditures	3,134,069
Net Change in Fund Balance	769,057
Fund Balance - Beginning	4,198,528
Fund Balance - Ending	$ 4,967,585

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

Idaho Wheat 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		$ 769,057
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	$ 80,305	
Depreciation Expense	(33,779)	
		46,526
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		(6,925)
The District 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.		(12,433)
Change in Net Positions of Governmental Activities		$ 796,225

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 Wheat Commission, State of Idaho. The Commission receives funding from tax assessments on wheat. 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 Wheat 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 upon recommendation of the Idaho Grain Producers Association, 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.

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 the wheat tax assessed on all wheat as it enters 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 - 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
- *Assigned.* Balances that are set aside as a reserve fund to provide for financial stability and for funding of ongoing activities in case of a decimated harvest or temporary reduction in acreage.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The remaining fund balance classifications (nonspendable, restricted, and committed) 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.

C. Assets and Liabilities

Cash Equivalents

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$ 5,000	Straight-line	10-40 years
Equipment	$ 5,000	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.

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, 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.

2. CASH AND INVESTMENTS

Deposits

As of June 30, 2024, the Commission's deposits were $222,256 The respective bank balances totaled $263,185. 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 districts, 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	$ 4,345,343	$ 4,345,343	$ -

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

	Activities
Cash and cash equivalents	$ 222,256
Investments categorized as deposits	4,345,343
	$ 4,567,599

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	$ 18,181	$ 21,568	$ 14,643	$ 25,106	$ 18,830

5. OTHER COMMITMENTS

The Commission has two credit cards with a combined credit limit of $27,000. $6,786 of the available credit was in use as of June 30, 2024.

6. FUNDING

The Commission is financed by a 4.5¢ per-bushel tax collected by the Commission on wheat 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 wheat, weather, and number of acres planted.

7. 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 Not Being Depreciated:				
Construction in Progress	$ 224,072	$ 80,305	$ -	$ 304,377
Capital Assets Being Depreciated:				
Building	1,238,516	-	-	1,238,516
Improvements	38,878	-	-	38,878
Equipment	12,386	-	-	12,386
Total Historical Cost	1,289,780	-	-	1,289,780
Less: Accumulated Depreciation				
Building	619,113	30,963	-	650,076
Improvements	19,057	2,816	-	21,873
Equipment	12,386	-	-	12,386
Total Acc. Depr.	650,556	33,779	-	684,335
Capital Assets - Net	$ 863,296	$ 46,526	$ -	$ 909,822

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

Governmental Activities:	
Administration	$ 33,779

8. PENSION PLAN

Plan Description

Idaho Wheat 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.

8. PENSION PLAN (continued)

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, 2022, 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 Wheat Commission's contributions were $29,065 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 Wheat Commission reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Idaho Wheat Commission's proportion of the net pension liability was based on Idaho Wheat Commission's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2023, Idaho Wheat Commission's proportion was 0.0059817% percent.

For the year ended June 30, 2024, Idaho Wheat Commission recognized pension expense (revenue) of $44,839 . At June 30, 2024, Idaho Wheat 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	$ 40,917	$ -
Changes in assumptions or other inputs	23,637	-
Net difference between projected and actual earnings on pension plan investments	22,407	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	9,913	64,368
Idaho Wheat Commission's contributions subsequent to the measurement date	29,065	
Total	$ 125,939	$ 64,368

$29,065 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.

8. PENSION PLAN (continued)

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2022, 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	$ 41,639
2025	(3,818)
2026	30,554
2027	(6,804)
2028	0

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, 2021 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%.

8. PENSION PLAN (continued)

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, 2022 is based on the results of an actuarial valuation date July 1, 2022.

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 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 2022.

Fixed Income	30.0%
US/Global Equity	55.0%
International Equity	15.0%
Cash	0.0%
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.

8. PENSION PLAN (continued)

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 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)	$ 429,333	$ 238,712	$ 82,915

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 age 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 increased 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 2022.

9. OPEB PLAN – HEALTHCARE & LONG-TERM DISABILITY (continued)

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.

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. The State is self-insured for employees who became disabled prior to July 1, 2003; the State paid 100 percent of the cost of this benefit. 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. The plan provides a $10,000 life insurance benefit for spouses and a $5,000 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 employees disabled on or after July 1, 2012, 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.

9. OPEB PLAN – HEALTHCARE & LONG-TERM DISABILITY (continued)

Principal Life Insurance Company insures employees disabled on or after July 1, 2012, 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, 2023 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, 2023 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
Inflation	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
Discount Rate	3.65%	3.65%
Healthcare Cost Trend Rates	N/A	5.7% claims from year ending June 30, 2023 to year ending June 30, 2024, grading to an ultimate rate of 3.7% after fiscal year ending June 30, 2073.
Retirees' Share of Benefit-Related Costs	74.7% of projected health insurance premiums for retirees	N/A

9. OPEB PLAN – HEALTHCARE & LONG-TERM DISABILITY (continued)

Mortality Rates

Mortality rates for the Retiree Healthcare, Long-Term Disability Healthcare, and the Retiree Life Insurance plans were based on the RP 2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with 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 2024. Employer proportionate shares were determined utilizing a single-period measure of benefit payments as of June 30, 2022.

The table illustrates the changes in total OPEB liability for the fiscal year ended June 30, 2024:

	Increase (Decrease)		
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Total
Beginning Balances	$ 910	$ 108	$ 1,018
Service Cost	22	29	51
Interest on Total OPEB Liability	28	5	33
Plan Changes	-	-	-
Economic/Demographic Gains (Losses)	219	-	219
Assumptions Changes	(4)	1	(3)
Expected Benefit Payments	(274)	(16)	(290)
Net Changes	(9)	19	10
Ending Balances	$ 901	$ 127	$ 1,028

9. OPEB PLAN – HEALTHCARE & LONG-TERM DISABILITY (continued)

Changes in assumptions resulted from an update to per capita medical benefit costs and trends; updated rates for the discount rate, general wage scale, rate of inflation, retiree enrollment, and spouse enrollment; and the LTD Income benefit of employees and LTD Waiver of life premiums for employees are no longer included due to a change from self-insured to insured.

OPEB Expense and Deferrals: The Commission recognized the following OPEB expense and deferrals for the year ended June 30, 2024:

	Increase (Decrease)		
	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Total
OPEB Expense	$ (190)	$ 34	$ (156)
Deferred Outflows			
Difference between Expected & Actual Experience	$ 395	$ 42	$ 437
Changes of Assumptions	436	5	441
Change in Proportion	597	72	669
Benefit Payments Subsequent to the Measurement Date	180	3	183
Total Deferred Outflows	$ 1,608	$ 122	$ 1,730
Deferred Inflows			
Difference between Expected & Actual Experience	$ (714)	$ (10)	$ (724)
Changes of Assumptions	(195)	(63)	(258)
Change in Proportion	(3,985)	(313)	(4,298)
Total Deferred Inflows	$ (4,894)	$ (386)	$ (5,280)

The total of $183 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 June 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:

9. OPEB PLAN – HEALTHCARE & LONG-TERM DISABILITY (continued)

	Expense (Revenue)		
Fiscal Year	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Total
2023	$ (2,344)	$ (64)	$ (2,408)
2024	(645)	(68)	(713)
2025	(158)	(86)	(244)
2026	(56)	(15)	(71)
2027	(85)	(14)	(99)
thereafter	-	(17)	(17)
	$ (3,288)	$ (264)	$ (3,552)

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 3.45 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 (2.45%) or 1 percent higher (4.54%) than the current rate:

	Retiree Healthcare Plan	Long-Term Disability Plan Healthcare	Total
1% Decrease 2.54%	$ 932	$ 131	$ 1,063
Discount Rate 3.54%	$ 902	$ 126	$ 1,028
1% Increase 4.54%	$ 871	$ 121	$ 992

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:

9. OPEB PLAN – HEALTHCARE & LONG-TERM DISABILITY (continued)

	Retiree Healthcare Plan	Long-Term Healthcare
1% Decrease	N/A	$ 102
Current Trend Rate	N/A	$ 126
1% Increase	N/A	$ 151

Healthcare cost trend sensitivity is not applicable because healthcare trends are not used for this benefit. Refer to the Executive Summary for an explanation of the retiree healthcare changes.

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 to 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 $1,100 for the year ended June 30, 2024.

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

10. OPEB – PERSI SICK LEAVE (continued)

At June 30, 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, 2022, 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, 2022, the Commission's share was 0.0244869 percent.

For the year ended June 30, 2024,the Commission recognized OPEB expense (expense offset) of $562 . $1,100 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 June 30, 2022.

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 asset on 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	5.45% net of investment expense

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.

10. OPEB – PERSI SICK LEAVE (continued)

Asset Class	Target Allocation	Expected Rate of Return (Arithmetic)
Broad U.S. Equity	39.30%	8.53%
Broad US Equities	10.70%	9.09%
Developed Foreign Equities	50.00%	2.80%
Cash Equivalents	0.00%	2.25%

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.

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)	$ (32,504)	$ (35,050)	$ (37,320)

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 June 30, 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. RELATED-PARTY TRANSACTIONS

The Commission works jointly with Idaho Grain Producer's Association (IGPA). The IGPA provides lobbying activities, recommends new Commissioners, completes surveys, and provides marketing activities for the Commission. The Commission does not obtain other bids for these services and has used the services of the IGPA for several years.

In fiscal year 2024, the Commission made the following payments to IGPA:

- $554,367 for lobbying, marketing, overhead and related activities.
- $27,000 to subsidize the production of the Association's quarterly magazine.
- $48,000 to subsidize the Association's annual convention.
- $0 for special projects.
- $25,000 for mentorship programs.

The Commission leases office space to IGPA. For the year ended June 30, 2024, IGPA paid $26,057 in rent. The lease expires in 2023. IGPA has future minimum payments of $0.

As of June 30, 2024, there were no receivables or payables due to or from the Association.

12. FUNDS HELD IN TRUST

The Commission approved $4,750 toward a PNW Wheat Council fund, with the provision that the funds be returned to the Commission if the fund or council should ever be disbanded.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Wheat Assessments	$ 3,799,856	$ 3,799,856	$ 3,599,107	$ (200,749)
Rental Income	77,096	77,096	82,525	5,429
Interest Income	-	-	219,984	219,984
Miscellanous	-	-	1,510	1,510
Total Revenues	3,876,952	3,876,952	3,903,126	26,174
Expenditures				
Current:				
Market Development	850,926	850,926	786,592	64,334
Research	1,223,405	1,223,405	1,010,985	212,420
Communication and Education	1,181,037	1,181,037	1,087,036	94,001
Administration	172,702	172,702	158,448	14,254
Capital Outlay	157,500	157,500	91,008	66,492
Total Expenditures	3,585,570	3,585,570	3,134,069	451,501
Net Change in Fund Balance	291,382	291,382	769,057	477,675
Fund Balance - Beginning	(291,382)	(291,382)	4,198,528	4,489,910
Fund Balance - Ending	$ -	$ -	$ 4,967,585	$ 4,967,585

1. BUDGETS AND BUDGETARY ACCOUNTING

The Commission begins developing its modified accrual basis budget in April for the next fiscal year – July 1 through June 30. The budget is approved by the Commissioners in early June. Budget revenues are based on the March 31 U.S. Department of Agriculture prospective planting report and planting projections from other industry sources. Expenditures are based on funding levels, expected expenditures, and spending proposals.

Idaho Wheat Commission
Schedule of Required Supplementary Information
Public Employee Retirement System of Idaho
Last 10 - Fiscal Years

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

Year	Commission's proportion of the net pension liability	Commission's proportionate share of the net pension liability	Commission's covered-employee payroll	Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as percentage of the total pension liability
2024	0.0059817%	$ 238,712	$ 258,552	92.33%	83.83%
2023	0.0086262%	$ 339,763	$ 254,340	133.59%	83.09%
2022	0.0077370%	$ (6,111)	$ 340,171	-1.80%	100.36%
2021	0.0099603%	$ 231,291	$ 288,734	80.11%	88.22%
2020	0.0083967%	$ 95,846	$ 355,878	26.93%	93.79%
2019	0.0087515%	$ 129,086	$ 285,186	45.26%	91.69%
2018	0.0083145%	$ 130,690	$ 281,567	46.42%	90.68%
2017	0.0079891%	$ 161,951	$ 258,244	62.71%	87.26%
2016	0.0088246%	$ 116,206	$ 231,561	50.18%	91.38%
2015	0.0087878%	$ 64,692	$ 241,800	26.75%	94.95%

Data reported is measured as of June 30, 2023

Schedule of Commission Contributions

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Commission's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 29,065	$ 29,065	$ -	$ 258,552	11.24%
2023	$ 30,368	$ 30,368	$ -	$ 254,340	11.94%
2022	$ 40,616	$ 40,616	$ -	$ 340,171	11.94%
2021	$ 34,475	$ 34,475	$ -	$ 288,734	11.94%
2020	$ 42,348	$ 42,348	$ -	$ 355,878	11.90%
2019	$ 32,283	$ 32,283	$ -	$ 285,186	11.32%
2018	$ 31,873	$ 31,873	$ -	$ 281,567	11.32%
2017	$ 29,233	$ 29,233	$ -	$ 258,244	11.32%
2016	$ 26,213	$ 26,213	$ -	$ 231,561	11.32%
2015	$ 27,372	$ 27,372	$ -	$ 241,800	11.32%

Data reported is measured as of June 30, 2024

Idaho Wheat Commission
Schedule of Changes in OPEB Liability - Healthcare and Employer Contributions

Last 10 - Fiscal Years*

	Reported as of measurement date June 30, 2022					
	2024	2023	2022	2021	2020	2019
Net OPEB obligation - prior end of year	$ 1,664	$ 3,726	$ 4,152	$ 8,193	$ 18,463	$ 27,279
Change in proportionate share	(754)	682	(970)	(307)	(12,031)	-
Net OPEB obligation - beginning of year	910	4,408	3,182	7,886	6,432	27,279
Service Cost	22	176	150	321	225	1,055
Interest on net OPEB obligation	28	91	70	272	240	954
Plan Changes	-	(2,121)	-	(663)	-	-
Economic/Demographic Gains (Losses)	219	(65)	606	(3,977)	-	475
Differences in experience/changes of assumptions or other inputs	(4)	(424)	25	1,216	2,236	(7,877)
Benefit payments	(274)	(401)	(307)	(903)	(940)	(3,423)
Net change in net OPEB obligation	(9)	(2,744)	544	(3,734)	1,761	(8,816)
Net OPEB obligation - end of year	$ 901	$ 1,664	$ 3,726	$ 4,152	$ 8,193	$ 18,463
Commission's covered-employee payroll	$ 258,552	$ 254,340	$ 340,171	$ 288,734	$ 355,878	$ 285,186
Commission's net OPEB liability as a percentage of covered-employee payroll	0.35%	0.65%	1.10%	1.44%	2.30%	6.47%

*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 Wheat Commission will present information for those years for which information is available.

Data reported is measured as of June 30, 2023

Idaho Wheat Commission
Schedule of Required Supplementary Information - OPEB
Public Employee Retirement System of Idaho
Last 10 - Fiscal Years*

Schedule of Changes in OPEB Asset - Sick Leave

Year	Commission's portion of net OPEB asset	Commission's proportionate share of net OPEB asset	Commission's covered-employee payroll	Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as percentage of the total pension liability
2024	0.0244869%	$ 35,050	$ 245,682	14.27%	223.73%
2023	0.0244869%	$ 34,641	$ 242,390	14.29%	237.30%
2022	0.0244869%	$ 44,555	$ 326,121	13.66%	274.55%
2021	0.0244869%	$ 34,564	$ 288,734	11.97%	251.29%
2020	0.0242115%	$ 30,500	$ 279,286	10.92%	226.97%
2019	0.0247785%	$ 28,438	$ 272,767	10.43%	225.45%

Schedule of Commission Contributions - Sick Leave

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Commission's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	$ 1,100	$ 1,100	$ -	$ 245,682	0.45%
2023	$ 1,100	$ 1,100	$ -	$ 242,390	0.45%
2022	$ 1,100	$ 1,100	$ -	$ 326,121	0.34%
2021	$ 1,870	$ 1,870	$ -	$ 288,734	0.65%
2020	$ 1,815	$ 1,815	$ -	$ 279,286	0.65%
2019	$ 1,773	$ 1,773	$ -	$ 272,767	0.65%

*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 Wheat Commission will present information for those years for which information is available.

Data reported is measured as of June 30 , 2023

FEDERAL REPORT

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
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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*

Independent Auditor's Report

Board of Commissioners
Idaho Wheat Commission
Boise, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the fund information of Idaho Wheat Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Idaho Wheat Commission's basic financial statements, and have issued our report thereon dated September 19, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Idaho Wheat 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 Wheat Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Idaho Wheat 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 Wheat Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
September 19, 2024