Wyoming Business Council

A Component Unit of the State of Wyoming

Financial and Compliance Report

June 30, 2019
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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
Wyoming Business Council
Cheyenne, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wyoming Business Council (the “Business Council”), a component unit of the State of Wyoming, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Business Council’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Business Council as of June 30, 2019, 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.
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 3 through 9, the Budgetary Comparison Statements and Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures for the General Fund, Economic Development Fund, and Rural Rehabilitation Fund on pages 37 through 40, the Schedule of the Business Council’s Proportionate Share of the Net Pension Liability on page 41, the Schedule of the Business Council’s Contributions on page 42, the Schedule of the Business Council’s Proportionate Share of the Total OPEB Liability on page 43, and the Notes to Required Supplementary Information on page 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Business Council’s basic financial statements. The Combining Statements of Other Governmental Funds and the Schedule of Expenditures of Federal Awards required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements of Other Governmental Funds and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements of Other Governmental Funds and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2019 on our consideration of the Business Council’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 solely 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 the effectiveness of the Business Council’s 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 the Business Council’s internal control over financial reporting and compliance.

McGee, Hearne & Paier, LLP

Cheyenne, Wyoming
December 4, 2019
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Wyoming Business Council’s (the “Business Council”) annual report, a component unit of the State of Wyoming, presents our discussion and analysis of the Business Council’s financial performance during the fiscal years that ended June 30, 2019 and 2018.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements:
- The Business Council’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, which is net position as of June 30, 2019 by $55.6 million, a decrease of $1.9 million from the previous year.

Governmental Fund Financial Statements:
- As of June 30, 2019, the Business Council’s governmental funds reported combined fund balances of $61.5 million, a decrease of $1.5 million from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Business Council’s basic financial statements. The Business Council’s annual report consists of four components in accordance with required reporting standards: 1) management’s discussion and analysis (this section), 2) government-wide financial statements, 3) governmental fund financial statements, and 4) notes to the basic financial statements. The required supplementary information and supplementary information is included in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide short-term and long-term information about the overall financial position and activities of the Business Council, in a manner similar to a private-sector business. The government-wide financial statements consist of the Statement of Net Position and Statement of Activities.

The Statement of Net Position reports all assets and deferred outflows of resources held and liabilities and deferred inflows of resources owed by the Business Council. Assets are reported when acquired and liabilities when incurred. The difference between the Business Council’s total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is its net position, which is similar to the owner’s equity presented by a private-sector business.

The Statement of Activities reports all of the revenues and expenses of the Business Council. Revenues are recognized when earned and expenses are reported when incurred. The statement identifies the extent to which each function of the Business Council draws from general revenues or is self-sufficient through fees, intergovernmental aid, and other sources of revenues.

The Business Council’s government-wide financial statements are presented on pages 10 through 12.
The governmental fund financial statements provide more detailed information about the Business Council’s funds. A fund is a separate accounting entity used to keep track of specific sources of funding and spending. Except for the General Fund, the Business Council uses specific funds that have been established to satisfy legal requirements established by external parties, governmental statutes, or regulations.

The governmental fund financial statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements. The governmental fund financial statements focus on information about the Business Council’s short-term inflows, outflows, and balances of spendable resources. The governmental fund financial statements consist of a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

The **Balance Sheet** reports information about the Business Council’s current financial resources, which are its assets, liabilities and fund balances. *Assets* reported are amounts on hand at the end of the fiscal year, such as cash and amounts for receivables that are collectible within a short period of time after the end of the fiscal year. *Liabilities* include amounts that are to be paid in a short period after the end of the fiscal year. The difference between a fund’s total assets and total liabilities is its *fund balance*. The fund balance generally indicates the amount available to finance next year’s activities. Because the focus of this report is on current, rather than long-term information, we provide an analysis that reconciles the governmental funds balance sheet to the government-wide Statement of Net Position.

The **Statement of Revenues, Expenditures, and Changes in Fund Balances** reports information about the Business Council’s inflows, outflows, and balances of current financial resources for each of its major governmental funds and for its non-major governmental funds in the aggregate. Amounts reported are *revenues* and *expenditures* that were collected in cash or paid in cash, respectively, during the current period or very shortly after the end of the year. Because this report excludes long-term information, we provide an analysis that reconciles the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the government-wide Statement of Activities.

The Business Council’s governmental fund financial statements are presented on pages 13 through 16.

**Notes to Financial Statements**

The notes to financial statements provide additional information that is essential to a full understanding of data provided in the government-wide and fund statements. The notes are presented on pages 17 through 36.

**Required Supplementary Information**

The required supplementary information presents Budgetary Comparison Statements for the Business Council’s General Fund and each of its major governmental funds. The statements present the Business Council’s original and final appropriated budgets for the reporting period as well as its actual inflows and outflows of financial resources. The required supplementary information also presents the Schedule of the Business Council’s Proportionate Share of Net Pension Liability, the Schedule of the Business Council’s Contributions, and the Schedule of the Business Council’s Proportionate Share of the Total OPEB Liability. These schedules present information on the Business Council’s share of the net pension liability in line with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and the total OPEB liability in line with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The required supplementary information is presented on pages 37 through 44.

**Supplementary Information**

The combining funds statements provide information for non-major governmental funds and are presented immediately following the required supplementary information. Combining funds statements are presented on pages 45 through 48.
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Financial Position

The Business Council’s net position may provide a useful indicator of its financial position. At the end of the current fiscal year, its assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $55.6 million, which represents an investment of $79,807 in capital assets, $52.5 million in restricted net position (economic development, rural rehabilitation, and ARRA revolving loan), and $2.9 million in unrestricted net position. The unrestricted net position may be used to meet the Business Council’s ongoing obligations.

The Business Council’s gross net position decreased $1.9 million during the current fiscal year, which is due to loans being paid off early within the business-ready communities program.

The following condensed Statement of Net Position presents the Business Council’s financial position for the past two years:

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<th>STATEMENT OF NET POSITION</th>
<th>CONDENSED</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$45,866,859</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
</tr>
<tr>
<td>Loans receivable</td>
<td>$19,108,082</td>
</tr>
<tr>
<td>Capital assets</td>
<td>140,759</td>
</tr>
<tr>
<td>Total assets</td>
<td>$65,115,700</td>
</tr>
<tr>
<td>DEFERRED OUTFLOWS OF RESOURCES</td>
<td>$1,545,039</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$3,580,444</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>6,683,314</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$10,263,758</td>
</tr>
<tr>
<td>DEFERRED INFLOWS OF RESOURCES</td>
<td>$812,526</td>
</tr>
<tr>
<td>NET POSITION</td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$79,807</td>
</tr>
<tr>
<td>Restricted for economic development</td>
<td>46,501,373</td>
</tr>
<tr>
<td>Restricted for rural rehabilitation</td>
<td>4,645,155</td>
</tr>
<tr>
<td>Restricted for ARRA revolving loan</td>
<td>1,419,288</td>
</tr>
<tr>
<td>Restricted for business-ready communities</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,938,832</td>
</tr>
<tr>
<td>Total net position</td>
<td>$55,584,455</td>
</tr>
</tbody>
</table>
Statement of Activities

Net position decreased by $1.9 million during the current fiscal year from the effect of revenues and expenses due to loans being paid off early within the business-ready communities program.

The following condensed Statement of Activities presents the Business Council’s results of operations for the past two years:

STATEMENT OF ACTIVITIES
CONDENSED

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenues</td>
<td>$2,219,642</td>
<td>$2,520,131</td>
</tr>
<tr>
<td>General revenues</td>
<td>25,201,347</td>
<td>64,896,049</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>27,420,989</strong></td>
<td><strong>67,416,180</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>2,021,539</td>
<td>2,319,990</td>
</tr>
<tr>
<td>Business development</td>
<td>5,012,620</td>
<td>5,996,753</td>
</tr>
<tr>
<td>Regional offices</td>
<td>988,083</td>
<td>1,047,178</td>
</tr>
<tr>
<td>Community development</td>
<td>21,318,044</td>
<td>34,222,016</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>29,340,286</strong></td>
<td><strong>43,585,937</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in net position</strong></td>
<td>(1,919,297)</td>
<td>23,830,243</td>
</tr>
<tr>
<td>Net position beginning</td>
<td>57,503,752</td>
<td>35,481,852</td>
</tr>
<tr>
<td>Restatement to prior period</td>
<td>-</td>
<td>(1,808,343)</td>
</tr>
<tr>
<td><strong>Net position beginning, as restated</strong></td>
<td>57,503,752</td>
<td>33,673,509</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net position ending</strong></td>
<td>$55,584,455</td>
<td>$57,503,752</td>
</tr>
</tbody>
</table>

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The Business Council’s activities are reflected in its general, economic development, rural rehabilitation, and other governmental funds. The focus of these governmental funds is to provide information about the Business Council’s short-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Business Council’s net resources available for spending at the end of the fiscal year.

Balance Sheet

As of June 30, 2019, the Business Council’s governmental funds reported combined ending fund balances of $61.5 million, a decrease of $1.5 million from the previous year.

Of the major funds, the General Fund is the main operating fund of the Business Council. At the end of the current fiscal year, the total fund balance was $8.7 million, which is unavailable for current use (nonspendable) because it is associated with a long-term receivable (loans receivable) and other assigned uses. The General Fund decreased by $4.4 million, which represents the change in the balance of loans receivable held in the General Fund.
The fund balance of the economic development fund increased $1.46 million, primarily due to interest income from loans and investments held within the State Treasurer’s Office.

The fund balances of the Business Council’s other governmental funds increased by $1.4 million due to the transfer of the ARRA revolving loan program’s net assets back to its own fund from the General Fund. During fiscal year 2017, the ARRA revolving loan program’s net assets were transferred into the General Fund to close out the State of Wyoming’s American Recovery and Reinvestment Fund. However, during fiscal year 2019, the Business Council determined it more appropriate to have the program separate from the General Fund.

Revenues and Expenditures

The following statement presents current fiscal year revenues and expenditures compared to the prior year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from primary government</td>
<td>$23,103,393</td>
<td>$63,906,656</td>
<td>($40,803,263)</td>
</tr>
<tr>
<td>Federal revenue</td>
<td>$2,163,210</td>
<td>$2,433,660</td>
<td>($270,450)</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>$1,904,179</td>
<td>$899,557</td>
<td>$1,004,622</td>
</tr>
<tr>
<td>Revenue from others</td>
<td>$193,775</td>
<td>$89,836</td>
<td>$103,939</td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>$56,432</td>
<td>$86,470</td>
<td>($30,038)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$27,420,989</td>
<td>$67,416,179</td>
<td>($39,995,190)</td>
</tr>
</tbody>
</table>

| EXPENDITURES             |              |              |                     |
| Administration           | $1,900,334   | $2,165,266   | ($264,932)          |
| Business development     | $4,939,768   | $5,886,784   | ($947,016)          |
| Regional offices         | $915,371     | $978,686     | ($63,315)           |
| Community development    | $21,214,927  | $34,092,407  | ($12,877,480)       |
| Total expenditures       | $28,970,400  | $43,123,143  | ($14,152,743)       |

Revenues for governmental activities were $27.4 million for fiscal year 2019, a decrease of 59.33% from the previous year. Revenues from primary government decreased $40.8 million, primarily due to a one-time appropriation to the economic development fund for the large project account in the prior fiscal year of $25 million. Revenues from investment income increased $1.0 million from the previous fiscal year, primarily due to increased interest income earned on loans and investments, in addition to increases in the fair value of investments held within the State Treasurer’s Office.

Expenditures for governmental activities were $29.0 million for the current fiscal year, a decrease of 32.97% from fiscal year 2019. This decrease is primarily due to a decrease in expenditures for community grant programs funded by State appropriations.
CAPITAL ASSETS ACTIVITY

The Business Council’s investment in capital assets for its governmental activities as of June 30, 2019 amounted to $140,759 net of accumulated depreciation of $716,547. This investment in capital assets includes a building, leasehold improvements, capitalized leases for equipment, furniture, fixtures and equipment, and intangible assets. At the end of the fiscal year, the Business Council had outstanding capital leases payable on equipment totaling $60,952. The $24,842 increase in net capital assets from the previous year is due to current year additions of $64,964 less $40,122 in depreciation expense.

The following is a Schedule of Capital Assets for the past two years. Additional information on the Business Council’s capital assets and capital leases can be found in Notes 4 and 5 of this report.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$30,059</td>
<td>$31,810</td>
</tr>
<tr>
<td>Lease improvements</td>
<td>1,321</td>
<td>2,130</td>
</tr>
<tr>
<td>Capitalized leases - equipment</td>
<td>60,408</td>
<td>11,360</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>12,981</td>
<td>17,860</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>35,990</td>
<td>52,757</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$140,759</strong></td>
<td><strong>$115,917</strong></td>
</tr>
</tbody>
</table>

BUDGETARY HIGHLIGHTS

For the current fiscal year, the Business Council’s General Fund budget was revised primarily for net appropriations carried over from a previous fiscal year. Budgeted expenditures for the economic development fund were primarily revised to carry over appropriations from a previous fiscal year. Budgeted expenditures for the rural rehabilitation fund were increased primarily to allow expenditure of current year investment income.

FINANCIAL IMPACTS

In response to the decline in Wyoming commodities in previous years, the Governor created the Economically Needed Diversity Options for Wyoming (ENDOW) Initiative. To support the ENDOW Initiative, the Legislature made one-time appropriations during the 2018 budget session of the legislature to the Council to expand international trade efforts and to improve broadband services across the state. For the 2019 biennium, the Council’s budget remained consistent with the prior biennium.

Subsequent to fiscal year 2019, a loan was approved under the provisions of the large project account. State statutes allow the Governor to transfer funds from the Business Council’s economic development account to the large project account within the revolving investment fund to meet loans or loan guarantees approved under this program. Subject to the fulfillment of certain contingencies, such as finalization of loan terms and proof that the companies have the funding to cover the difference between project costs and state loan amounts, the Governor may authorize the transfer of the balance from the economic development account to the large project account to fund these loans.

On July 17, 2019, the Gering-Fort Laramie Canal tunnel collapsed, impacting 52,000 acres of Goshen County farmland. The economic impact is still being measured; however, the Business Council could be called on to provide economic disaster assistance to the producers and growers via the economic development account.
After June 30, 2019, the Business Council entered into a memorandum of understanding with the Wyoming Infrastructure Authority, to commence on October 1, 2019. The Business Council is providing Federal Energy Program Funds to the Authority for the purposes of funding a State Energy Program Coordinator position to facilitate the transfer of the Wyoming State Energy Office Program from the Council to the Authority as a result of Senate Enrolled Act 14 (2019). Senate Enrolled Act 14 combines all of the energy programs across the state of Wyoming, including the Business Council’s State Energy Office, to the Authority, effective July 1, 2020.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Wyoming Business Council, 214 West 15th Street, Cheyenne, Wyoming 82002.
## WYOMING BUSINESS COUNCIL

### STATEMENT OF NET POSITION

**JUNE 30, 2019**

### ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Deposits with State Treasurer</td>
<td>$42,847,701</td>
</tr>
<tr>
<td>Deposits in bank</td>
<td>31,603</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>52,752</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>229,878</td>
</tr>
<tr>
<td>Due from primary government</td>
<td>28,579</td>
</tr>
<tr>
<td>Due from Federal government</td>
<td>628,782</td>
</tr>
<tr>
<td>Loans receivable, net</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>45,866,859</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Loans receivable, net</td>
<td>19,108,082</td>
</tr>
<tr>
<td>Capital assets, net of accumulated depreciation:</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>30,059</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>1,321</td>
</tr>
<tr>
<td>Capitalized leases - equipment</td>
<td>60,408</td>
</tr>
<tr>
<td>Furniture, fixtures, and equipment</td>
<td>12,981</td>
</tr>
<tr>
<td>Intangibles</td>
<td>35,990</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>19,248,841</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>65,115,700</td>
</tr>
</tbody>
</table>

### DEFERRED OUTFLOWS OF RESOURCES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension-Related Outflows</td>
<td>1,131,817</td>
</tr>
<tr>
<td>OPEB-Related Outflows</td>
<td>413,222</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>1,545,039</td>
</tr>
</tbody>
</table>
### LIABILITIES

**Current Liabilities**
- Accounts payable: $2,734,008
- Due to primary government: $728,285
- Accrued payroll: $132,577
- Compensated absences payable: $104,527
- Capital leases payable: $12,299

**Total current liabilities**: $3,580,444

**Noncurrent Liabilities**
- Capital leases payable: $48,653
- Net pension liability: $4,650,412
- Total OPEB liability: $1,984,249

**Total noncurrent liabilities**: $6,683,314

**Total liabilities**: $10,263,758

### DEFERRED INFLOWS OF RESOURCES

- Pension-Related Inflows: $359,061
- OPEB-Related Inflows: $453,465

**Total deferred inflows of resources**: $812,526

### NET POSITION

- Net investment in capital assets: $79,807
- Restricted for economic development: $46,501,373
- Restricted for rural rehabilitation: $4,645,155
- Restricted for residential relending: $1,419,288
- Unrestricted: $2,938,832

**Total net position**: $55,584,455

See Notes to Financial Statements.
<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Program Revenues</th>
<th>Net (Expenses)</th>
<th>Revenue and Changes in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Charges for Sales and Services</td>
<td>Operating Charges for Grants and Contributions</td>
<td>Total Governmental Activities</td>
</tr>
<tr>
<td>Governmental Activities</td>
<td></td>
<td>Administration $2,021,539</td>
<td>$14,307</td>
<td>$-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business development $5,012,620</td>
<td>36,825</td>
<td>64,314</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regional offices $988,083</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Community development $21,318,044</td>
<td>5,300</td>
<td>2,098,896</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total $29,340,286</td>
<td>$56,432</td>
<td>$2,163,210</td>
</tr>
</tbody>
</table>

General Revenues
- Appropriation from primary government $23,103,393
- Investment income, net $1,904,179
- Other $193,775

**Total general revenues** $25,201,347

**Change in net position** $(1,919,297)

Net Position, beginning $57,503,752

Net Position, ending $55,584,455

See Notes to Financial Statements.
## WYOMING BUSINESS COUNCIL

### BALANCE SHEET
#### GOVERNMENTAL FUNDS
##### JUNE 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Economic Development Fund</th>
<th>Rural Rehabilitation Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with State Treasurer</td>
<td>$ 2,605,970</td>
<td>$ 34,476,948</td>
<td>$ 4,656,729</td>
<td>$ 1,108,054</td>
<td>$ 42,847,701</td>
</tr>
<tr>
<td>Deposits in bank</td>
<td>2,367</td>
<td>-</td>
<td>-</td>
<td>29,236</td>
<td>31,603</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>4,858</td>
<td>41,315</td>
<td>5,893</td>
<td>686</td>
<td>52,752</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>45,932</td>
<td>177,410</td>
<td>5,281</td>
<td>1,255</td>
<td>229,878</td>
</tr>
<tr>
<td>Due from primary government</td>
<td>28,579</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>28,579</td>
</tr>
<tr>
<td>Due from Federal government</td>
<td>628,782</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>628,782</td>
</tr>
<tr>
<td>Loans receivable, net</td>
<td>8,681,770</td>
<td>11,859,979</td>
<td>-</td>
<td>613,897</td>
<td>21,155,646</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 11,998,258</td>
<td>$ 46,555,652</td>
<td>$ 4,667,903</td>
<td>$ 1,753,128</td>
<td>$ 64,974,941</td>
</tr>
</tbody>
</table>

|                        |              |                            |                            |                          |                          |
| **LIABILITIES**        |              |                            |                            |                          |                          |
| Accounts payable       | $ 2,604,659 | $ 54,279                   | $ 22,748                   | $ 52,322                 | $ 2,734,008              |
| Due to primary government | 710,558    | -                          | -                          | 17,727                   | 728,285                  |
| Accrued payroll        | 1,325        | -                          | -                          | -                        | 1,325                    |
| **Total liabilities**  | 3,316,542    | 54,279                     | 22,748                     | 70,049                   | 3,463,618                |

| Fund Balances          |              |                            |                            |                          |                          |
| Nonspendable:          |              |                            |                            |                          |                          |
| Loans receivable and other | 8,681,716  | 11,859,979                 | -                          | 613,897                  | 21,155,592               |
| Restricted             | -            | -                          | 4,645,155                  | 733,004                  | 5,378,159                |
| Committed              | -            | 34,641,394                 | -                          | 72,387                   | 34,713,781               |
| Assigned               | -            | -                          | -                          | 263,791                  | 263,791                  |
| **Total fund balances**| 8,681,716    | 46,501,373                 | 4,645,155                  | 1,683,079                | 61,511,323               |

| **Total liabilities**  | $ 11,998,258 | $ 46,555,652               | $ 4,667,903                | $ 1,753,128              | $ 64,974,941             |

See Notes to Financial Statements.
Total fund balances - governmental funds $ 61,511,323

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. When capital assets that are used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. These assets consist of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>43,900</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>16,199</td>
</tr>
<tr>
<td>Capitalized leases, net of related capital leases payable</td>
<td>4,012</td>
</tr>
<tr>
<td>Furniture, fixtures, and equipment</td>
<td>296,617</td>
</tr>
<tr>
<td>Intangibles</td>
<td>435,626</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(716,547)</td>
</tr>
<tr>
<td><strong>Total capital assets, net of capital leases payable</strong></td>
<td>79,807</td>
</tr>
</tbody>
</table>

Deferred outflows of resources that are not available for the current period expenditures and are not reported in the governmental funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB liability</td>
<td>(1,984,249)</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>(812,526)</td>
</tr>
<tr>
<td><strong>Total liabilities and deferred inflows of resources</strong></td>
<td>(7,551,714)</td>
</tr>
</tbody>
</table>

Liabilities and deferred inflows of resources that are not due and payable with current resources and are not reported in the governmental funds. These consist of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences payable</td>
<td>(104,527)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(4,650,412)</td>
</tr>
<tr>
<td><strong>Total liabilities and deferred inflows of resources</strong></td>
<td>(7,551,714)</td>
</tr>
</tbody>
</table>

**Net position of governmental activities** $ 55,584,455

See Notes to Financial Statements.
### WYOMING BUSINESS COUNCIL

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2019**

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Economic Development Fund</th>
<th>Rural Rehabilitation Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from primary government</td>
<td>$23,103,393</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$23,103,393</td>
</tr>
<tr>
<td>Federal revenue</td>
<td>2,163,210</td>
<td></td>
<td></td>
<td></td>
<td>2,163,210</td>
</tr>
<tr>
<td>Interest income</td>
<td>100,917</td>
<td>1,251,263</td>
<td>118,470</td>
<td>18,534</td>
<td>1,489,184</td>
</tr>
<tr>
<td>Net increase (decrease) in the fair value of investments</td>
<td>(9)</td>
<td>366,901</td>
<td>45,964</td>
<td>2,139</td>
<td>414,995</td>
</tr>
<tr>
<td>Revenue from others</td>
<td>193,775</td>
<td></td>
<td></td>
<td></td>
<td>193,775</td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>53,107</td>
<td>3,325</td>
<td></td>
<td></td>
<td>56,432</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>25,614,393</td>
<td>1,621,489</td>
<td>164,434</td>
<td>20,673</td>
<td>27,420,989</td>
</tr>
</tbody>
</table>

|                          |              |                           |                           |                          |                          |
| **EXPENDITURES**         |              |                           |                           |                          |                          |
| Administration           | 1,882,825    |                           |                           | 17,509                   | 1,900,334                |
| Business development     | 4,659,564    | 160,488                   | 116,556                   | 3,160                    | 4,939,768                |
| Regional offices         | 915,371      |                           |                           |                          | 915,371                  |
| Community development    | 21,135,066   |                           |                           | 79,861                   | 21,214,927               |
| **Total expenditures**   | 28,592,826   | 160,488                   | 116,556                   | 100,530                  | 28,970,400               |

|                          |              |                           |                           |                          |                          |
| **Excess (deficiency) of revenues over expenditures** | (2,978,433)   | 1,461,001                 | 47,878                    | (79,857)                 | (1,549,411)             |

|                          |              |                           |                           |                          |                          |
| **OTHER FINANCING SOURCES (USES)** |              |                           |                           |                          |                          |
| Capital lease            | 64,964       |                           |                           |                          | 64,964                   |
| Transfers in             | -            | -                         | -                         |                          | 1,481,986                |
| Transfers out            | (1,481,986)  |                           |                           |                          | (1,481,986)              |
| **Total other financing sources (uses)** | (1,417,022) |                           |                           |                          | 64,964                   |

|                          |              |                           |                           |                          |                          |
| **Net change in fund balances** | (4,395,455) | 1,461,001                 | 47,878                    | 1,402,129                | (1,484,447)             |

|                          |              |                           |                           |                          |                          |
| Fund balances, beginning | 13,077,171   | 45,040,372                | 4,597,277                 | 280,950                  | 62,995,770              |

|                          |              |                           |                           |                          |                          |
| Fund balances, ending    | $8,681,716   | $46,501,373               | $4,645,155                | $1,683,079               | $61,511,323             |

See Notes to Financial Statements.
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:

- Depreciation expense $(40,122)$

Additions of new capital lease assets which are Capitalized leases - equipment on the Statement of Net Position, net of principal payments on capital lease obligations and losses associated with the write-offs of capital lease obligations, which are expenditures in governmental funds, but the repayments are reductions of long-term liabilities in the Statement of Net Position. $31,950$

Certain expenses reported in the Statement of Activities that do not require the use of current financial resources and, therefore, are not recorded as expenditures on the governmental funds. In the current period, these amounts are:

- Compensated absences $(5,281)$
- Other post employment expense, net of amortization $(82,145)$
- Change in defined benefit net pension liability and pension-related inflows and outflows $(339,252)$

Change in net position of governmental activities $\$ (1,919,297)$

See Notes to Financial Statements.
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

The accompanying financial statements of the Wyoming Business Council (the “Business Council”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. The basic financial statements include both government-wide financial statements based on the Business Council as a whole and fund financial statements.

B. Financial reporting entity

The Business Council was created in 1998 by the Wyoming Economic Development Act. The Business Council has been charged by Wyoming State Statutes to encourage, stimulate, and support the development and expansion of the economy of the State and is operated for the benefit of the public. It is governed by a Board of Directors, consisting of 15 voting members appointed by the Governor with the advice and consent of the State Senate. The Business Council is a component unit of the State of Wyoming.

On July 1, 1998, the Business Council assumed the functions, programs, and authority of various State agencies, boards, authorities, commissions and committees. The Business Council is also charged with administering the Wyoming Partnership Challenge Loan Program.

On February 21, 2001, the Business Council established Wyoming Economic and Workforce Development, Inc. (the “WEWD”), a 501(c)(3) corporation. The WEWD was formed to support the Business Council’s economic development, expansion, and workforce training efforts in the State of Wyoming by soliciting funds through a combination of fees, private contributions and grants. It began operations in fiscal year 2002 and is presented herein as a blended component unit. The financial information of the WEWD is presented as the Economic and Workforce Development Fund in the other governmental funds’ column of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

C. Government-wide financial statements

The Statement of Net Position and Statement of Activities display information about the Business Council as a whole. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Net Position reports all of the Business Council’s financial and capital resources. Assets and liabilities are presented in order of their relative liquidity. An asset’s liquidity is determined by how readily it is expected to be converted to cash and whether restrictions limit the Business Council’s ability to use the resource. A liability’s liquidity is based on its maturity, or when cash is expected to be used to liquidate it. The difference between the total of assets and deferred outflows and the total of liabilities and deferred inflows shows the Business Council’s net position. Net position is reported as restricted when constraints are placed on their use by creditors, grantors, or laws or regulations of other governments.
The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Business Council’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions, including interest on loans, which are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all appropriations from the primary government, are presented instead as general revenues.

D. Fund financial statements

The fund financial statements provide information about the Business Council’s funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. The Business Council reports the following major governmental funds:

General Fund – the Business Council’s primary operating fund. It accounts for all of the Business Council’s financial resources except those accounted for in another fund. Revenues consist primarily of State and Federal funding.

Economic Development Fund – used to account for economic development efforts of the Business Council; primarily, the activities of the following loan portfolios: Challenge loans, economic disaster loans, bridge loans, Wyoming main street loans, natural gas infrastructure loans, and Amendment IV loans. Funds within the account may also be transferred upon direction of the governor to the large project account within the revolving investment fund created by Wyoming State Statute if required to meet loans or loan guarantees approved by the state loan and investment board under that law. Revenues in the economic development fund consist primarily of interest income.

Rural Rehabilitation Fund – used to account for the operations of the rural rehabilitation program that is administered in accordance with the terms of an agreement with the U.S. Farmers Home Administration. Revenues consist primarily of interest income.

E. Basis of accounting

Government-wide fund financial statements – The government-wide fund 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 fund financial statements – 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. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures.
The Business Council reports advance payments on its Statement of Net Position and governmental fund Balance Sheet. Advance payments for governmental fund reporting purposes arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Advance payments also arise when resources are received by the Business Council before it has legal claim to them, as when grant funds are received prior to the occurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Business Council has a legal claim to the resources, the liability for advance payments is removed from the Balance Sheet and revenue is recognized.

F. Budgets

Wyoming State Statutes require the Business Council to prepare and submit a biennial budget to the Governor for presentation to the Legislature each odd-numbered year prior to the beginning of the Legislative session. The Legislature may add, change, or delete any items in the budget proposed by the Governor. Supplemental appropriations may be approved by the Legislature in even numbered years.

The Legislature appropriates substantially cash basis budgets for programs within an agency. The State’s legal level of budgetary control is at the program level and the Governor must approve all changes in appropriations at the program level. Some appropriations lapse at the end of each biennium.

G. Deposits with State Treasurer

The General Fund of the Business Council primarily operates out of an appropriation from the Wyoming State Legislature, which has been established with the Wyoming State Auditor’s office. Cash is available from this appropriation to fund expenditures as they are incurred by the Business Council. As such, the cash balance within the General Fund is assumed to be the amounts of accounts payable and certain accrued expenses within the fund, net of certain assets.

For funds other than the General Fund, the Business Council’s cash is pooled with other State agencies in an account managed by the Wyoming State Treasurer. The account is reported at the fair value of the securities underlying the investment pool. Earnings from the investment pool are credited to the applicable accounts and funds by the State Treasurer to the Business Council monthly, utilizing a formula based on the average daily balance.

H. Receivables

Receivables consist primarily of amounts due from the Federal Government and other governmental entities, including the State for amounts earned on deposits with the State Treasurer. Management believes no allowance for uncollectible amounts is necessary based on the nature of these receivables and past experience.
I. Loans and allowance for loan losses

The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. Delinquent status is considered to be 10 days after the payment due date. In all cases, loans are placed on nonaccrual status at an earlier date if collection of principal or interest in full is not expected.

The interest on nonaccrual loans is accounted for on the cash-basis until the loan qualifies for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured, or the loan is well-secured and in the process of collection.

It is the policy of the Business Council to charge off those loans in which collectability is sufficiently questionable as to no longer justify showing the loan as an asset in the financial statements. The charge off of any loan must be approved by the Board of Directors.

The allowance for loan losses is established through a provision for loan losses charged to expense. Recoveries of amounts previously charged off are credited to the allowance. The amount of provision is based on management’s evaluation of the loan portfolio, including assessment of the likelihood of reimbursement on defaulted loans.

J. Capital assets

Capital assets are stated at cost in the government-wide financial statements. The Business Council’s capitalization level for all capital assets is $5,000. Depreciation on capital assets is provided on the straight-line basis over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Years</th>
<th>Buildings</th>
<th>Leasehold improvements</th>
<th>Furniture, fixtures, and equipment</th>
<th>Intangible assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25</td>
<td>7</td>
<td>3 - 14</td>
<td>3 - 5</td>
</tr>
</tbody>
</table>

Capital assets are accounted for as expenditures in the governmental fund financial statements. Costs for repairs and maintenance are expensed as incurred.

The intangible assets of the Business Council at June 30, 2019 are computer software and website development costs, which were capitalized in accordance with Governmental Accounting Standards Board (GASB) Statement 51, Accounting and Financial Reporting for Intangible Assets. A capital asset is classified as intangible if: 1) it lacks physical substance, 2) it is not in a monetary form similar to cash or investment securities, does not represent a claim or right to assets in a monetary form similar to receivables, and is not a prepayment for goods or services, and 3) it has an initial useful life that extends beyond a single reporting period.
K. **Compensated absences**

Employees of the Business Council earn up to four weeks of vacation at a monthly rate of 13.33 hours. A minimal number of employees who earned vacation at a higher rate based on a former vacation policy continue to accrue leave at that rate each year. Vacation leave is accrued from October 1 to September 30 of each year. Leave not used at the end of the vacation accrual does not vest. On an exception-only basis, carryover leave is considered in circumstances where employees can’t use all of their earned vacation time during the year. Exception circumstances are those work events that prevent an employee from using his or her earned vacation time or cause an employee to cancel earned vacation time. Employees in these exception circumstances may carryover no more than 40 hours and the carryover must be approved by the employee’s director prior to September 30 of that year. Accumulated leave that is expected to be liquidated with expendable available financial resources (i.e., pending payouts of unused leave owed to employees who left active service by the end of the fiscal period) is reported as an expenditure and a liability in the governmental funds financial statements. All accumulated leave is reported as an expenditure and a liability in the government-wide financial statements.

L. **Grants payable**

In certain cases where grantees incur qualified reimbursable expenditures on a grant prior to year-end, but have not yet invoiced the Business Council for these amounts, the Business Council estimates the amount due to the grantee at year end based on the percentage completion of the project. The estimated percentage of completion is multiplied by the total grant amount, and then previous and accrued payments to the grantee are subtracted. The corresponding result is recorded as accounts payable in the financial statements as of June 30, 2019.

M. **Advance payments**

Advance payments occur when resources are received by the Business Council before it has legal claim to them. In subsequent periods when revenue recognition criteria are met, the liability for the unearned revenue is reduced and the revenue is recognized.

N. **Defined benefit pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (WRS) and additions to/deductions from the WRS’s fiduciary net position have been determined on the same basis as they are reported by the WRS. 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.

O. **Postemployment benefits other than pensions (OPEB)**

The total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense associated with the State of Wyoming Group Insurance Retiree Health Plan have been determined on the same basis as they are reported by the State of Wyoming. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.
P. **Deferred outflows of resources**

Deferred outflows are the consumption of net position by the Business Council that are applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time.

Q. **Deferred inflows of resources**

Deferred inflows are the acquisition of net position by the Business Council that are applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time.

R. **Fund balances**

The Business Council has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which classifies fund balances based on spending constraints that control how resources may be used. Following are the classifications of fund balance:

- **Nonspendable** – amounts that are not available for current use because they are either: 1) not in spendable form, or 2) legally or contractually required to be maintained intact, such as fund balance associated with inventories and long-term receivables.

- **Restricted** – amounts constrained for a specific purpose through restrictions of external parties such as a creditor, grantor, donor, or other governmental unit (e.g., Federal government), or by constitutional provision.

- **Committed** – amounts constrained for specific purposes imposed by formal action of the reporting governmental entity’s highest level of decision-making authority.

- **Assigned** – amounts that are neither restricted nor committed that the reporting governmental entity intends to use for a specific purpose as expressed by the governmental entity itself or by a party delegated the authority by the governmental entity.

- **Unassigned** – amounts not reported in the other classifications. Only the General Fund can report a positive unassigned fund balance; other governmental funds might report a negative amount in this classification.

S. **Interfund transactions**

Interfund transactions are reflected either as services provided, reimbursements or transfers. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are eliminated in the Statement of Activities.

T. **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.
Note 2.  DEPOSITS WITH STATE TREASURER

The Business Council investments held by the State Treasurer’s Office at June 30, 2019 are presented as follows:

<table>
<thead>
<tr>
<th>Investment Type:</th>
<th>Fair Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income investments</td>
<td>$42,847,701</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The State of Wyoming’s investment pool is subject to interest rate risk, credit risk, foreign currency risk, custodial credit risk, and concentration of credit risk.


Note 3.  LOANS RECEIVABLE

Interest rates on loans vary from 0.0% to 5.25% and have varying maturity dates through 2037; collateral includes personal guarantees, mortgages on real estate, and liens on receivables, inventory, furniture, equipment, and crops. At June 30, 2019, loans receivable included outstanding loans to three major loan customers totaling $9,971,020, which comprised approximately 43.54% of gross loans receivable as of that date. There was one loan charged off during the year ended June 30, 2019 in the amount of $31,807. Loans receivable as of June 30, 2019 are as follows:

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Gross Balance</th>
<th>Allowance</th>
<th>Net Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARRA Revolving Loan Fund</td>
<td>Residential Relending</td>
<td>$613,897</td>
<td>$ -</td>
</tr>
<tr>
<td>General Fund</td>
<td>Mainstreet</td>
<td>8,074</td>
<td>-</td>
</tr>
<tr>
<td>General Fund</td>
<td>Business Ready Community</td>
<td>8,673,696</td>
<td>-</td>
</tr>
<tr>
<td>Economic Development Fund</td>
<td>Amendment IV</td>
<td>251,378</td>
<td>203,000</td>
</tr>
<tr>
<td>Economic Development Fund</td>
<td>Challenge</td>
<td>11,770</td>
<td>11,770</td>
</tr>
<tr>
<td>Economic Development Fund</td>
<td>Economic Disaster</td>
<td>7,376,980</td>
<td>1,360,786</td>
</tr>
<tr>
<td>Economic Development Fund</td>
<td>Bridge</td>
<td>746,118</td>
<td>71,143</td>
</tr>
<tr>
<td>Economic Development Fund</td>
<td>Natural Gas Infrastructure</td>
<td>220,432</td>
<td>-</td>
</tr>
<tr>
<td>Economic Development Fund</td>
<td>Other</td>
<td>5,000,000</td>
<td>100,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$22,902,345</td>
</tr>
</tbody>
</table>


Note 4. **CAPITAL ASSETS**

Capital asset activity in the government-wide financial statements for the year ended June 30, 2019 was as follows:

<table>
<thead>
<tr>
<th>Capital assets being depreciated:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$ 43,900</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 43,900</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>16,199</td>
<td>-</td>
<td>-</td>
<td>16,199</td>
</tr>
<tr>
<td>Capitalized leases - equipment</td>
<td>91,320</td>
<td>64,964</td>
<td>(91,320)</td>
<td>64,964</td>
</tr>
<tr>
<td>Furniture, fixtures, and equipment</td>
<td>296,617</td>
<td>-</td>
<td>-</td>
<td>296,617</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>435,626</td>
<td>-</td>
<td>-</td>
<td>435,626</td>
</tr>
<tr>
<td><strong>Total capital assets being depreciated</strong></td>
<td><strong>883,662</strong></td>
<td><strong>64,964</strong></td>
<td><strong>(91,320)</strong></td>
<td><strong>857,306</strong></td>
</tr>
</tbody>
</table>

Less accumulated depreciation:

<table>
<thead>
<tr>
<th>Capital assets being depreciated:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>(12,090)</td>
<td>(1,751)</td>
<td>-</td>
<td>(13,841)</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>(14,069)</td>
<td>(809)</td>
<td>-</td>
<td>(14,878)</td>
</tr>
<tr>
<td>Capitalized leases - equipment</td>
<td>(79,960)</td>
<td>(15,916)</td>
<td>91,320</td>
<td>(4,556)</td>
</tr>
<tr>
<td>Furniture, fixtures, and equipment</td>
<td>(278,757)</td>
<td>(4,879)</td>
<td>-</td>
<td>(283,636)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(382,869)</td>
<td>(16,767)</td>
<td>-</td>
<td>(399,636)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation</strong></td>
<td><strong>(767,745)</strong></td>
<td><strong>(40,122)</strong></td>
<td><strong>91,320</strong></td>
<td><strong>(716,547)</strong></td>
</tr>
</tbody>
</table>

**Capital assets, net**

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ 115,917</strong></td>
<td><strong>$ 24,842</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 140,759</strong></td>
<td></td>
</tr>
</tbody>
</table>

Depreciation expense was charged to governmental functions as follows:

<table>
<thead>
<tr>
<th>Function</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$ 18,557</td>
</tr>
<tr>
<td>Business development</td>
<td>7,021</td>
</tr>
<tr>
<td>Regional offices</td>
<td>6,018</td>
</tr>
<tr>
<td>Community development</td>
<td>8,526</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 40,122</strong></td>
</tr>
</tbody>
</table>
Note 5. LEASE OBLIGATIONS

The Business Council has entered into various lease agreements for office space and equipment which have been accounted for as either operating leases or capital leases. The lease terms vary in range, extending through February 2024.

**Operating leases** – Expenditures on operating leases are recognized as incurred. Total rent expense for these operating leases for the year ended June 30, 2019 was $202,377. Future minimum lease payments for operating leases are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$194,929</td>
</tr>
<tr>
<td>2021</td>
<td>3,533</td>
</tr>
<tr>
<td><strong>Total minimum payments</strong></td>
<td><strong>$198,462</strong></td>
</tr>
</tbody>
</table>

**Capital leases** – The gross amount of assets recorded under capital leases as of June 30, 2019 was $64,964 with accumulated depreciation of $4,556. During the year ended June 30, 2019, principal payments of $23,262 were paid. Future minimum lease payments for capital leases are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$14,089</td>
</tr>
<tr>
<td>2021</td>
<td>14,089</td>
</tr>
<tr>
<td>2022</td>
<td>14,089</td>
</tr>
<tr>
<td>2023</td>
<td>14,089</td>
</tr>
<tr>
<td>2024</td>
<td>9,394</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65,750</strong></td>
</tr>
<tr>
<td>Less: interest</td>
<td>(4,798)</td>
</tr>
<tr>
<td><strong>Present value of lease payments</strong></td>
<td><strong>$60,952</strong></td>
</tr>
</tbody>
</table>
**Note 6. RETIREMENT COMMITMENT – WYOMING RETIREMENT SYSTEM (WRS)**

**Plan description** – Substantially all employees of the Business Council, excluding seasonal employees, are provided with pensions through the Public Employee Pension Plan (the “Plan”) - a statewide cost-sharing multiple-employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). The authority to establish and amend benefits and contributions rates rests with the Legislature of the State of Wyoming. WRS is granted the authority to administer the Plan by Wyoming State Statutes 9-3-401 through 432. WRS issues a publicly available financial report that can be obtained at http://retirement.state.wy.us/About/Reports?Label=Financial#categories.

**Benefits provided** – The determination of retirement benefits is dependent upon the employee’s initial employment date.

*Service Retirement Tier 1*: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average over 15 years.

*Service Retirement Tier 2*: Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

*Disability Benefits*: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and must be “in service” at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of her/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

*Survivor’s Benefits*: Certain surviving dependents receive benefits based on the deceased member’s compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

**Contributions** – Per Title 9-3-412 and 413 of Wyoming State Statutes, for the year ended June 30, 2019, member contributions were required to be 8.50% of compensation and employer contributions were required to be 8.62% of compensation. These contributions increased September 1, 2018. Previously, the member and employer contribution percentages were 8.25% and 8.37%, respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the Business Council has elected to pay 2.93% of the member’s contribution effective September 1, 2018 and 2.68% of the member’s contribution prior to September 1, 2018, in addition to the employer’s contribution. Total member and employer contributions to the pension plan from the Business Council were $377,330, $381,458, and $408,823, for the years ended June 30, 2019, 2018, and 2017, respectively.
Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2019, the Business Council reported a liability of $4,650,412 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 and incorporated assumption changes adopted by the WRS Board effective August 23, 2017. The Business Council’s proportion of the net pension liability was based on the relationship of the Business Council’s total contributions to the plan for the year ended December 31, 2018 to the contributions of all participating employers for the same period. At December 31, 2018, the Business Council’s proportion was 0.152708301%, which was a decrease from its December 31, 2017 proportion of 0.163556159%.

For the year ended June 30, 2019, the Business Council recognized pension expense of $564,699. At June 30, 2019, the Business Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Differences between expected and actual experience | $                | - | $ 120,433 |
| Net difference between projected and actual earnings on pension plan investments | 685,532 | - |
| Changes in proportionate share of contributions | 81,025 | 238,628 |
| Contributions subsequent to measurement date | 116,410 | - |
| Changes in assumptions | 248,850 | - |
| **Total** | **$ 1,131,817** | **$ 359,061** |

An amount of $116,410 reported as deferred outflows of resources related to pensions resulting from Business Council contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year ended June 30,</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 264,757</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>139,304</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>24,898</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>227,387</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 656,346</strong></td>
<td><strong>$ 359,061</strong></td>
</tr>
</tbody>
</table>
Actuarial assumptions – The total pension liability in the January 1, 2018 valuation was determined using the following actuarial assumptions, adopted by the WRS Board effective August 23, 2017 and applied to all periods included in the measurement:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>2.25%</td>
</tr>
<tr>
<td>Salary increases</td>
<td>2.50% – 6.50%, including inflation</td>
</tr>
<tr>
<td>Payroll growth rate</td>
<td>2.50%</td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>7.00%, net of pension plan investment expense, including inflation</td>
</tr>
</tbody>
</table>

Mortality rates were based on the RP-2014 Mortality Table for Males or Females, as appropriate, for mortality improvements based on Scale MP-2017.

Long-term expected rate of return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan’s target asset allocation for the fiscal year 2018, these best estimates are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Geometric Real Rate of Return</th>
<th>Long-Term Expected Arithmetic Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>0.00%</td>
<td>0.30%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>20.00%</td>
<td>1.50%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Equity</td>
<td>49.00%</td>
<td>6.00%</td>
<td>7.40%</td>
</tr>
<tr>
<td>Marketable alternatives</td>
<td>19.00%</td>
<td>3.10%</td>
<td>3.50%</td>
</tr>
<tr>
<td>Private markets</td>
<td>12.00%</td>
<td>5.20%</td>
<td>7.00%</td>
</tr>
<tr>
<td></td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Experience analysis – An experience study was conducted on behalf of all WRS’s plans covering the five-year period ended December 31, 2016. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination, and disability) and proposed assumptions consistent with the findings.

Discount rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.
Sensitivity of the employer’s proportionate share of the net pension liability to changes in the discount rate – The following presents the Business Council’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Business Council’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>Current Discount Rate (7.00%)</th>
<th>1% Decrease Rate (6.00%)</th>
<th>1% Increase Rate (8.00%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportionate share of the net pension liability</td>
<td>$6,449,495</td>
<td>$4,650,412</td>
<td>$3,149,094</td>
</tr>
</tbody>
</table>

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued WRS financial report, which may be accessed at http://retirement.state.wy.us/About/Reports?Label=Financial#categories.

Note 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan description: Eligible employees of the Business Council are provided with OPEB through the State of Wyoming Group Insurance Retiree Health Plan (the “Plan”) – a cost-sharing multiple-employer defined benefit OPEB plan administered by the State of Wyoming Employee Group Insurance (EGI). Any employee of a participating employer is eligible for retiree coverage under the Plan at premium rates established by EGI, provided that:

1. The employee had coverage in effect under the Plan for at least one year just prior to retirement; and
2. The employee is eligible to receive a retirement benefit under the Wyoming Retirement System or TIAA and either
   a. Has attained age 50 with at least four years of service credit as an employee of one of the employing entities participating in the Plan; or
   b. Has at least 20 years of service credit as an employee of one of the employing entities participating in the Plan. Retirement eligibility varies under the Wyoming Retirement System. The Public Employees’ Pension Plan, which is the Plan applicable to the Business Council, requires 25 years of service credit.

The State of Wyoming Legislature has the authority to establish and amend the benefit terms of the plan. The Plan does not issue a separate report; however, additional Plan information can be obtained from the State of Wyoming’s Comprehensive Annual Financial Report, which may be obtained from the State’s website at http://sao.wyo.gov/publications.
Benefits provided: The Plan provides medical and prescription drug benefits for retirees and their dependents through payment of insurance premiums for life. Surviving spouses are allowed to continue coverage after the retiree’s death provided they were covered at the time of death.

Funding Policy: The State finances this program on a pay-as-you-go basis, and there are no assets held in trust for pre-funding the obligations of the Plan. The State of Wyoming Legislature has the authority for establishing and amending the funding policy.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Business Council reported a liability of $1,984,249 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Business Council’s proportion of the collective total OPEB liability was based on a projection of the Business Council’s expected payments/contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2019, the Business Council’s proportion was 0.19464%.

For the year ended June 30, 2019, the Business Council recognized OPEB expense of $82,145. At June 30, 2019, the Business Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 413,222</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
</tr>
<tr>
<td>Change in proportionate share of expected payments</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 413,222</strong></td>
</tr>
</tbody>
</table>
Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Business Council’s OPEB expense as follows:

<table>
<thead>
<tr>
<th>Year ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ (8,150)</td>
</tr>
<tr>
<td>2021</td>
<td>(8,150)</td>
</tr>
<tr>
<td>2022</td>
<td>(8,150)</td>
</tr>
<tr>
<td>2023</td>
<td>(8,150)</td>
</tr>
<tr>
<td>2024</td>
<td>(8,150)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>507</td>
</tr>
<tr>
<td></td>
<td>$ (40,243)</td>
</tr>
</tbody>
</table>

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- **Measurement Date**: July 1, 2018 (based on July 1, 2017 census data)
- **Inflation**: 2.50%
- **Salary Increases**: 2.50% - 6.50%
- **Mortality Rates**
  - Pre-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017
  - Post-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017
  - Disabled: RP-2014 Combined, 100% male, 100% female, generational projection using MP-2017
- **Healthcare Cost Trend Rates**
  - Non-Medicare: 7.60%, decreasing annually until reaching the ultimate trend rate of 4.50%
  - Medicare: 8.10%, decreasing annually until reaching the ultimate trend rate of 4.50%
- **Participation Rate**: 65% will elect coverage and 30% will cover a spouse
- **Spouse Age Differential**: Males are assumed to be 3 years older than females
- **Cost Method**: Entry Age Normal. Under this method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working lifetime as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay over the year. The Normal Cost is equal to the prorated cost for the year of the valuation.
- **Benefits Excluded**: Benefits related to retiree dental and life insurance have been excluded from this valuation.
The health care trend rate assumption was based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data plan renewal data and vendor Rx report with adjustments based on the provisions of the benefits offered by EGI. For the excise tax, the overall value of the benefit was compared to the excise tax threshold. The values of the benefits were assumed to increase with the valuation trend and the excise tax thresholds were assumed to increase by 2.25% per year. On a blended basis, the excise tax threshold is estimated to hit in 2022.

Significant assumptions are based on an experience study that covered a five-year period ending December 31, 2016. Significant assumptions varied within the various retirement plans within the Wyoming Retirement System.

Discount rate: The discount rate used to measure the total OPEB liability was 3.87%, which represents an increase from the discount rate of 3.58% utilized for the June 30, 2017 measurement date. As the Plan is unfunded, the Plan has no fiduciary net position from which to make future benefit payments. Therefore, the discount rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Sensitivity of the Business Council’s proportionate share of the collective total OPEB liability to changes in the discount rate: The following presents the Business Council’s proportionate share of the collective total OPEB liability calculated using the discount rate of 3.87%, as well as what the Business Council’s proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

<table>
<thead>
<tr>
<th>Proportionate share of the collective total OPEB liability</th>
<th>Current Discount Rate</th>
<th>1% Decrease (2.87%)</th>
<th>1% Increase (4.87%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,424,795</td>
<td>$1,984,249</td>
<td>$1,645,925</td>
</tr>
</tbody>
</table>

Sensitivity of the Business Council’s proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rates: The following presents the Business Council’s proportionate share of the collective total OPEB liability, as well as what the Business Council’s proportionate share of the collective total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<table>
<thead>
<tr>
<th>Healthcare Cost Trend Rates</th>
<th>1% Decrease</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Medicare</td>
<td>6.60%</td>
<td>8.60%</td>
</tr>
<tr>
<td>Medicare</td>
<td>7.10%</td>
<td>9.10%</td>
</tr>
<tr>
<td>Proportionate share of the collective total OPEB liability</td>
<td>$1,641,280</td>
<td>$1,984,249</td>
</tr>
</tbody>
</table>
Note 8.  RETIREMENT COMMITMENT – DEFERRED COMPENSATION PLAN

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, accounted for by the State and available to all Business Council employees, permits employees to defer a portion of their compensation until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All compensation and earnings deferred are held in trust or custodial accounts for the exclusive benefit of program participants and their beneficiaries.

Investments are managed and controlled by the deferred compensation plan’s trustee, not the Business Council, under various investment options. The employee chooses the investment option(s) and the contribution amount when participating in the deferred compensation plan. These investments and the related liability to the employees are not included in the Business Council’s financial statements as an agency since the deferred compensation plan is managed on a statewide basis.

Wyoming State Statutes require matching contributions to the plan for each participating employee. Currently, the match established and appropriated by the Legislature for each participating employee is $20 per month. Matching contributions made by the Business Council to the deferred compensation plan for the years ended June 30, 2019, 2018, and 2017 totaled $8,492, $8,427, and $8,820, respectively.

Note 9.  RISK MANAGEMENT

State self-insurance – The Business Council participates in the State self-insurance program that was created to handle property, casualty, and liability insurance claims brought against the State. The State generally does not maintain reserves; losses are covered by a combination of appropriations from the State’s General Fund in the year in which the payment occurs and by assessing State agencies for specific types of claims for the fiscal year. The Business Council was not assessed any amount for the year ended June 30, 2019.

Employee medical, life, long-term disability, vision, and dental insurance – The Business Council’s employees participate in the State’s Group Insurance plan. Under this plan, the State co-administers employee medical insurance with a third-party administrator. The State self-insures medical costs and assumes all the risk for claims incurred by plan participants. The Business Council does not retain any risk of loss for the life, long-term disability, vision and dental insurance plans as the insurance providers assume all the risk for claims incurred by the participants.

During the year ended June 30, 2019, the Business Council contributed up to $833, $1,267, $1,660, and $1,900 (for single, dependent, married, and family coverage, respectively) per month for insurance premiums, plus 90% of the monthly premiums in excess of these amounts for each covered participant towards these plans, excluding long-term disability and vision premiums. Participants are responsible for paying premium charges in excess of this amount plus long-term disability and vision premiums. Total group insurance premiums paid by the Business Council for the year ended June 30, 2019 were $783,460.
Workers’ compensation – Wyoming State Statute 27-14-101 created the Wyoming Workers’ Compensation Act (the “Act”). The Act requires all employers engaged in extra-hazardous employment to obtain liability coverage for the payment of benefits to employees for job-related injuries and diseases through the Workers’ Compensation Fund. Eligible employers that comply with the provisions of the Act are generally protected from suit by employees. Employers not required by the Act to participate in this program may elect to do so at their option. For the year ended June 30, 2019, the Business Council’s contributions to the Workers’ Compensation Fund were $55,077.


Note 10. TRANSACTIONS WITH RELATED PARTIES

The Business Council pays for services provided by the State for certain phone service, computer processing, motor pool vehicles, State plane usage, loan exam services, and central mail. Total amounts expended for these services for the year ended June 30, 2019 were $145,496.

The Wyoming Office of Tourism pays the Business Council for certain support services in the areas of fiscal and contract compliance, human resources, payroll and information technology. The total amount received for these services for the year ended June 30, 2019 was $72,000.

The Business Council has entered into several agreements with the University of Wyoming (UW) to fund various sponsorships, in addition to various projects which include the Market Research Center, Research Product Center, Manufacturing-Works, Small Business Development Centers, Small Business Innovation Research-Small Business Technology Transfer, Procurement Technical Assistance Center, Technology Business Center, and Natural Resource Energy Explore programs. Total amounts expended to UW for the year ended June 30, 2019 were $3,058,241, of which $359,257 is included in accounts payable as of June 30, 2019. The Business Council is committed for amounts remaining under these agreements in the amount of $371,864 as of June 30, 2019.

During the fiscal year, the Business Council, together with the Wyoming Department of Environmental Quality (DEQ), received a Federal award from the Environmental Protection Agency (EPA) for the Brownfield Revolving Loan Program. The Business Council and DEQ have a memorandum of understanding in place for administration of the program. The Business Council serves as the lead fiscal agent and will service the loans, and DEQ oversees project management. During the year, the Business Council received $100,000 from DEQ to serve as the program’s matching funds.
Note 11.  COMMITMENTS AND CONTINGENCIES

Relationship with primary government – The Business Council receives a significant portion of its revenues directly from the State of Wyoming and the continued operation of the Business Council is dependent upon actions of the Legislature.

Federal grants – Grant monies received and disbursed by the State are for specific purposes and are subject to audit by the grantor agency. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Business Council does not believe that such disallowances, if any, would have a material effect on the financial position or results of operations of the Business Council.

Loans – Loans approved by the Business Council’s Board of Directors but undistributed as of June 30, 2019 totaled $9,073,216. These will be funded by a combination of State appropriations and restricted net position.

Other commitments and contingencies – The Business Council has contracted and/or committed funds for various projects, services or other items arising in the normal course of operations. The amounts remaining to complete these commitments totaled $34,469,587 as of June 30, 2019. These commitments will be funded by a combination of restricted net position, State appropriations, and Federal revenues.

Encumbrances – The Business Council utilizes encumbrance accounting to identify fund obligations. The table below shows encumbrances in total by major fund in aggregate of the governmental funds as of June 30, 2019.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Encumbrance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$39,787,134</td>
</tr>
<tr>
<td>Economic Development Fund</td>
<td>$663,600</td>
</tr>
<tr>
<td>ARRA Revolving Loan</td>
<td>$72,387</td>
</tr>
<tr>
<td>Rural Rehabilitation</td>
<td>$13,568</td>
</tr>
</tbody>
</table>

Note 12.  SUBSEQUENT EVENTS

The Business Council has entered into various agreements subsequent to June 30, 2019, primarily with local governments for economic development infrastructure projects effective through June 30, 2026. These agreements are valued at up to but no more than $4,864,398. These agreements will be funded by a combination of State appropriations and Federal revenues.

The Business Council distributed $1,900,481 after June 30, 2019 out of the Economic Development fund for loans. Of this, $663,600 was approved but undistributed as of June 30, 2019, and the remaining $1,236,881 was approved subsequent to June 30, 2019.

Subsequent to June 30, 2019, a loan totaling $332,500 was approved under the provisions of the Economic Development Fund for loans.
On July 17, 2019, the Gering-Fort Laramie Canal tunnel collapsed, impacting 52,000 acres of Goshen County farmland. The economic impact is still being measured. However, the Business Council could be called on to provide economic disaster assistance to the producers and growers via the economic development account.

After June 30, 2019, the Business Council entered into a memorandum of understanding with the Wyoming Infrastructure Authority, to commence on October 1, 2019. The Business Council is providing Federal Energy Program Funds to the Authority for the purposes of funding a State Energy Program Coordinator position to facilitate the transfer of the Wyoming State Energy Office Program from the Council to the Authority as a result of Senate Enrolled Act 14 (2019).

Subsequent to June 30, 2019, a loan totaling $2,000,000 was approved under the provisions of the Business-Ready Communities Grant and Loan program. This loan will be distributed out of State appropriations.

One loan was approved subsequent to June 30, 2019 under the provisions of the large project program. State statutes allow the Governor to transfer funds from the Business Council’s Economic Development account to the large project account within the revolving investment fund to meet loans or guarantees approved under this program. Subject to certain contingencies, such as finalization of loan terms and proof that the company has the funding to cover the difference between project costs and state loan amounts, the Governor may authorize the transfer of up to $9.35 million from the economic development account to fund this loan.
REQUIRED SUPPLEMENTARY INFORMATION
## REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance with Original Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from primary government</td>
<td>$27,863,332</td>
<td>$38,375,402</td>
<td>$9,136,686</td>
<td>$(9,136,686) $ (29,238,716)</td>
</tr>
<tr>
<td>Federal revenue</td>
<td>3,112,380</td>
<td>5,110,128</td>
<td>465,879</td>
<td>465,879 $(4,644,249)</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>45,235</td>
<td>45,235</td>
</tr>
<tr>
<td>Revenue from others</td>
<td>-</td>
<td>-</td>
<td>743,886</td>
<td>743,886</td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>303,614</td>
<td>303,614</td>
<td>44,711</td>
<td>44,711 $(258,903)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>31,279,326</td>
<td>43,789,144</td>
<td>10,436,397</td>
<td>$(30,937,806) $(33,352,747)</td>
</tr>
</tbody>
</table>

## EXPENDITURES

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance with Original Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>3,250,845</td>
<td>3,042,621</td>
<td>2,590,761</td>
<td>2,663,040 379,581</td>
</tr>
<tr>
<td>Business Development</td>
<td>4,035,611</td>
<td>4,616,022</td>
<td>3,459,045</td>
<td>4,412,527 203,495</td>
</tr>
<tr>
<td>Community Development</td>
<td>3,877,335</td>
<td>3,617,577</td>
<td>1,240,486</td>
<td>2,388,981 1,228,596</td>
</tr>
<tr>
<td>Regional offices</td>
<td>821,510</td>
<td>826,510</td>
<td>797,369</td>
<td>804,244 22,266</td>
</tr>
<tr>
<td>Investment-ready communities</td>
<td>19,294,025</td>
<td>31,686,414</td>
<td>2,348,736</td>
<td>31,105,411 581,003</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>31,279,326</td>
<td>43,789,144</td>
<td>10,436,397</td>
<td>41,374,203 2,414,941</td>
</tr>
</tbody>
</table>

### Excess (deficiency) of revenues over expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (deficiency)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

See Notes to Required Supplementary Information.
WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON STATEMENTS, Continued
ECONOMIC DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2019

Economic Development Fund

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Budgeted Amounts</th>
<th>Total Actual and Encumbrances</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual</td>
</tr>
<tr>
<td>Revenue from primary government</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Federal revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>490,876</td>
<td>490,876</td>
<td>634,085</td>
</tr>
<tr>
<td>Revenue from others</td>
<td>650,000</td>
<td>4,650,000</td>
<td>116,464</td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,140,876</td>
<td>5,140,876</td>
<td>750,549</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>Budgeted Amounts</th>
<th>Total Actual and Encumbrances</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual</td>
</tr>
<tr>
<td>Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Business Development</td>
<td>1,140,876</td>
<td>5,140,876</td>
<td>714,700</td>
</tr>
<tr>
<td>Community Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Regional offices</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment-ready communities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>1,140,876</td>
<td>5,140,876</td>
<td>714,700</td>
</tr>
</tbody>
</table>

| Excess (deficiency) of revenues over expenditures | $ - | $ - | $ 35,849 | $ (663,600) | $ (627,751) | $ (627,751) |

See Notes to Required Supplementary Information.
### WYOMING BUSINESS COUNCIL

**BUDGETARY COMPARISON STATEMENTS, Continued**

**RURAL REHABILITATION FUND**

**YEAR ENDED JUNE 30, 2019**

---

#### Rural Rehabilitation Fund

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Encumbrances</th>
<th>Total Actual and Encumbrances</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from primary government</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Federal revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>281,509</td>
<td>118,640</td>
<td>-</td>
<td>118,640</td>
<td>(162,869)</td>
</tr>
<tr>
<td>Revenue from others</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>-</td>
<td>281,509</td>
<td>118,640</td>
<td>-</td>
<td>118,640</td>
<td>(162,869)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Business Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community Development</td>
<td>-</td>
<td>281,509</td>
<td>108,300</td>
<td>17,015</td>
<td>125,315</td>
<td>156,194</td>
</tr>
<tr>
<td>Regional offices</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment-ready communities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>-</td>
<td>281,509</td>
<td>108,300</td>
<td>17,015</td>
<td>125,315</td>
<td>156,194</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excess (deficiency) of revenues over expenditures</th>
<th>$</th>
<th>-</th>
<th>$</th>
<th>10,340</th>
<th>$ (17,015)</th>
<th>$ (6,675)</th>
</tr>
</thead>
</table>

See Notes to Required Supplementary Information.
<table>
<thead>
<tr>
<th>Sources/inflows of resources:</th>
<th>General Fund</th>
<th>Economic Development Fund</th>
<th>Rural Rehabilitation Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual amounts &quot;available for appropriation&quot; from the Budgetary Comparison Schedules</td>
<td>$ 10,436,397</td>
<td>$ 750,549</td>
<td>$ 118,640</td>
</tr>
<tr>
<td>Differences in accrual basis revenues and cash basis budgetary amounts</td>
<td>15,177,996</td>
<td>870,940</td>
<td>45,794</td>
</tr>
<tr>
<td>Total revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances</td>
<td>$ 25,614,393</td>
<td>$ 1,621,489</td>
<td>$ 164,434</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses/outflows of resources:</th>
<th>General Fund</th>
<th>Economic Development Fund</th>
<th>Rural Rehabilitation Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual amounts &quot;charged to appropriations&quot; from the Budgetary Comparison Schedules</td>
<td>$ 41,374,203</td>
<td>$ 1,378,300</td>
<td>$ 125,315</td>
</tr>
<tr>
<td>Differences in accrual basis expenditures and cash basis budgetary amounts</td>
<td>18,156,429</td>
<td>(554,212)</td>
<td>8,256</td>
</tr>
<tr>
<td>Encumbrances</td>
<td>(30,937,806)</td>
<td>(663,600)</td>
<td>(17,015)</td>
</tr>
<tr>
<td>Total expenditures reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances</td>
<td>$ 28,592,826</td>
<td>$ 160,488</td>
<td>$ 116,556</td>
</tr>
</tbody>
</table>

See Notes to Required Supplementary Information.
## Schedule of the Business Council’s Proportionate Share of the Net Pension Liability

**Public Employee Pension Plan**  
**Last Six (6) Fiscal Years***

<table>
<thead>
<tr>
<th>Business Council's proportion of the net pension liability</th>
<th>Business Council's proportionate share of the net pension</th>
<th>Business Council's liability as a percentage of its covered payroll</th>
<th>Plan fiduciary net position as a percentage of the total pension liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 0.1780020440% $2,706,344</td>
<td>$3,071,787</td>
<td>88.10%</td>
<td>81.10%</td>
</tr>
<tr>
<td>2015 0.1756957922% 3,100,490</td>
<td>3,105,431</td>
<td>99.84%</td>
<td>79.08%</td>
</tr>
<tr>
<td>2016 0.1672581167% 3,896,023</td>
<td>2,993,370</td>
<td>130.16%</td>
<td>73.40%</td>
</tr>
<tr>
<td>2017 0.1571502750% 3,799,108</td>
<td>3,045,573</td>
<td>124.74%</td>
<td>73.42%</td>
</tr>
<tr>
<td>2018 0.1635561589% 3,728,002</td>
<td>2,878,864</td>
<td>129.50%</td>
<td>76.35%</td>
</tr>
<tr>
<td>2019 0.1527083007% 4,650,412</td>
<td>2,657,878</td>
<td>174.97%</td>
<td>69.17%</td>
</tr>
</tbody>
</table>

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This schedule is to be built prospectively until it contains ten years of data.*

See Notes to Required Supplementary Information.
## WYOMING BUSINESS COUNCIL

### SCHEDULE OF THE BUSINESS COUNCIL'S CONTRIBUTIONS

**Public Employee Pension Plan**

*Last Six (6) Fiscal Years*

<table>
<thead>
<tr>
<th>Contributions in relation to the statutorily required contribution</th>
<th>Contribution deficiency (excess)</th>
<th>Covered payroll</th>
<th>Contributions as a percentage of covered payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$214,638</td>
<td>$214,638</td>
<td>$3,014,582</td>
</tr>
<tr>
<td>2015</td>
<td>235,816</td>
<td>235,816</td>
<td>3,094,695</td>
</tr>
<tr>
<td>2016</td>
<td>247,089</td>
<td>247,089</td>
<td>2,952,081</td>
</tr>
<tr>
<td>2017</td>
<td>239,037</td>
<td>239,037</td>
<td>2,855,879</td>
</tr>
<tr>
<td>2018</td>
<td>229,039</td>
<td>229,039</td>
<td>2,736,429</td>
</tr>
<tr>
<td>2019</td>
<td>228,792</td>
<td>228,792</td>
<td>2,666,725</td>
</tr>
</tbody>
</table>

*This schedule is to be built prospectively until it contains ten years of data.*

See Notes to Required Supplementary Information.
### WYOMING BUSINESS COUNCIL

#### SCHEDULE OF THE BUSINESS COUNCIL'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY

**Last Two (2) Fiscal Years***

|     | Business Council's proportionate share of the total OPEB liability as a percentage of its covered payroll | Plan fiduciary net position
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Council's share of the net position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td>0.21917%</td>
<td>$1,733,616</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>0.19464%</td>
<td>$1,984,249</td>
</tr>
</tbody>
</table>

*This schedule is to be built prospectively until it contains ten years of data.*

See Notes to Required Supplementary Information.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

Note 1. BASIS OF PRESENTATION – BUDGETARY COMPARISON STATEMENTS

The Business Council adopts a biennial budget that is approved by the State Legislature. The Business Council allocates the biennial budget to an annual budget for internal management purposes. These annualized budgets are presented in the accompanying Budgetary Comparison Statements. Additionally, these Budgetary Comparison Statements are prepared using encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded as expenditures and liabilities in order to reserve that portion of the applicable appropriation.

Note 2. EXPLANATION OF DIFFERENCES – BUDGETARY COMPARISON STATEMENTS

The statement on page 40 is an explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures for the General Fund, Economic Development Fund, and the Rural Rehabilitation Fund for the year ended June 30, 2019.

Note 3. PENSION PLAN

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2017 measurement date and the December 31, 2018 measurement date.

Changes in assumptions: There were no changes in assumptions between the December 31, 2017 measurement date and the December 31, 2018 measurement date.

Note 4. OPEB COMMITMENT

Changes in benefit terms: There were no changes in benefit terms since the prior valuation.

Changes in assumptions: The valuation reflects the following assumption changes from the June 30, 2017 measurement date to the June 30, 2018 measurement date.

- Discount rate changed from 3.58% to 3.87%.
- Mortality rates were updated to reflect tables used by the Wyoming Retirement System.
- Updated healthcare claims costs are based on recent experience and no increase in retiree contributions.
- Health care trend rates were changed.
OTHER GOVERNMENTAL FUNDS

The Business Council’s non-major governmental funds are described below:

*Business-Ready Communities Fund* – used to account for the community facilities program that provides funding to assist communities preserve former school and government facilities for existing or future community uses.

*Wyoming Business Council Fund* – used primarily to account for revenues of the Wyoming First program, telephone commissions, and net profits from sales of promotional merchandise.

*Economic and Workforce Development Fund* – used to account for activities of Wyoming Economic and Workforce Development, Inc. (the “WEWD”), a not-for-profit corporation. The WEWD was formed to support the Business Council’s economic development, expansion, and workforce training efforts in the State of Wyoming by soliciting funds through a combination of fees, private contributions and grants.

*ARRA Revolving Loan Fund* – used to account for the principal and interest payments received on outstanding loans that were issued using Federal funds awarded to the Business Council under the American Recovery and Reinvestment Act of 2009. In addition, principal repayments are expended in accordance with allowable activities.
### WYOMING BUSINESS COUNCIL

**COMBINING BALANCE SHEET**

**OTHER GOVERNMENTAL FUNDS**

**JUNE 30, 2019**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Business Ready Communities Fund</th>
<th>Economic and Workforce Development Fund</th>
<th>ARRA Revolving Loan Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with State Treasurer</td>
<td>$ (1) 255,253</td>
<td>$ -</td>
<td>$ 852,802</td>
<td>$ 1,108,054</td>
</tr>
<tr>
<td>Deposits in bank</td>
<td>-</td>
<td>29,236</td>
<td>-</td>
<td>29,236</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>326</td>
<td>-</td>
<td>360</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>-</td>
<td>-</td>
<td>613,897</td>
<td>613,897</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>-</td>
<td>293</td>
<td>-</td>
<td>962</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ (1) 255,872</td>
<td>$ 29,236</td>
<td>$ 1,468,021</td>
<td>$ 1,753,128</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND FUND BALANCE** |                                      |                                        |                         |             |
| Liabilities            | $ -                               | $ 3,589                                | $ -                     | $ 48,733    |
| Due to primary government | - 17,727                       | -                                       | -                       | 17,727      |
| **Total liabilities**  | - 21,316                        | -                                       | 48,733                  | 70,049      |

| Fund Balance           |                                      |                                        |                         |             |
| Nonspendable:          | $ -                               | -                                       | -                       | 613,897    |
| Loans receivable and other | -                               | -                                       | 733,004                | 733,004    |
| Restricted             | -                               | -                                       | 72,387                 | 72,387     |
| Committed              | -                               | -                                       | 234,556                | 234,556    |
| Assigned               | (1) 234,556                      | 29,236                                 | -                       | 263,791    |
| **Total fund balance** | (1) 234,556                      | 29,236                                 | 1,419,288              | 1,683,079  |

| **Total liabilities and fund balance** |                                      |                                        |                         |             |
| $ (1) 255,872          | $ 29,236                          | $ 1,468,021                           | $ 1,753,128            |             |
WYOMING BUSINESS COUNCIL

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Business Ready Communities Fund</th>
<th>Wyoming Business Council Fund</th>
<th>Economic and Workforce Development Fund</th>
<th>ARRA Revolving Loan Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$</td>
<td>-</td>
<td>$6,586</td>
<td>$4</td>
<td>$11,944</td>
</tr>
<tr>
<td>Net increase (decrease) in the fair market value of investments</td>
<td>247</td>
<td>2,561</td>
<td>-</td>
<td>(669)</td>
<td>2,139</td>
</tr>
<tr>
<td>Total revenues</td>
<td>247</td>
<td>9,147</td>
<td>4</td>
<td>11,275</td>
<td>20,673</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td>17,509</td>
<td>-</td>
<td>-</td>
<td>17,509</td>
</tr>
<tr>
<td>Business Development</td>
<td></td>
<td>3,160</td>
<td>-</td>
<td>-</td>
<td>3,160</td>
</tr>
<tr>
<td>Community Development</td>
<td></td>
<td>20,195</td>
<td>-</td>
<td>-</td>
<td>59,666</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>20,195</td>
<td>20,669</td>
<td>-</td>
<td>59,666</td>
<td>100,530</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenditures</td>
<td>(19,948)</td>
<td>(11,522)</td>
<td>4</td>
<td>(48,391)</td>
<td>(79,857)</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>14,307</td>
<td>-</td>
<td>1,467,679</td>
<td>1,481,986</td>
</tr>
<tr>
<td>Total other financing sources</td>
<td>-</td>
<td>14,307</td>
<td>-</td>
<td>1,467,679</td>
<td>1,481,986</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>(19,948)</td>
<td>2,785</td>
<td>4</td>
<td>1,419,288</td>
<td>1,402,129</td>
</tr>
<tr>
<td>Fund balances, beginning</td>
<td>19,947</td>
<td>231,771</td>
<td>29,232</td>
<td>-</td>
<td>280,950</td>
</tr>
<tr>
<td>Fund balances, ending</td>
<td>$ (1)</td>
<td>$ 234,556</td>
<td>$ 29,236</td>
<td>$ 1,419,288</td>
<td>$1,683,079</td>
</tr>
</tbody>
</table>
WYOMING BUSINESS COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th>Program or Cluster Title</th>
<th>Federal Grantor/Pass-Through Grantor/ Number</th>
<th>CFDA Identifying Number</th>
<th>Total Expenditures</th>
<th>Passed Through to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Housing and Urban Development</td>
<td>Community Development Block Grant Program 14.228 N/A</td>
<td><strong>$ 2,039,701</strong></td>
<td><strong>$ 1,940,346</strong></td>
<td></td>
</tr>
<tr>
<td>Total U.S. Department of Housing and Urban Development</td>
<td></td>
<td><strong>$ 2,039,701</strong></td>
<td><strong>$ 1,940,346</strong></td>
<td></td>
</tr>
<tr>
<td>U.S. Small Business Administration</td>
<td>State Trade Expansion Program 59.061 N/A</td>
<td>54,738</td>
<td>36,100</td>
<td></td>
</tr>
<tr>
<td>Total U.S. Small Business Administration</td>
<td></td>
<td><strong>54,738</strong></td>
<td><strong>36,100</strong></td>
<td></td>
</tr>
<tr>
<td>U.S. Department of Energy</td>
<td>State Energy Program 81.041 N/A</td>
<td>381,600</td>
<td>293,316</td>
<td></td>
</tr>
<tr>
<td>Total U.S. Department of Energy</td>
<td></td>
<td><strong>381,600</strong></td>
<td><strong>293,316</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures of Federal Awards</strong></td>
<td></td>
<td><strong>$ 2,476,039</strong></td>
<td><strong>$ 2,269,762</strong></td>
<td></td>
</tr>
</tbody>
</table>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the accompanying Wyoming Business Council (the “Business Council”) Schedule of Expenditures of Federal Awards (the “Schedule”) are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Business Council provided $2,269,762 of Federal funds to subrecipients.

Note 2. De Minimis Cost Rate

The Business Council did not elect to use the de minimis cost rate allowed under the Uniform Guidance.

Note 3. Basis of Presentation

The Schedule includes the Federal award activity of the Business Council under programs of the Federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Business Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Business Council.
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Wyoming Business Council
Cheyenne, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wyoming Business Council (the “Business Council”), a component unit of the State of Wyoming, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Business Council’s basic financial statements, and have issued our report thereon dated December 4, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Business Council’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 the Business Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Business Council’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 Business Council’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 the Business Council’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 result of that testing, and not to provide an opinion on the effectiveness of the Business Council’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 Business Council’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 4, 2019
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Wyoming Business Council
Cheyenne, Wyoming

Report on Compliance for the Major Federal Program

We have audited the Wyoming Business Council’s (the “Business Council”) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Business Council’s major Federal program for the year ended June 30, 2019. The Business Council’s major Federal program is identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance of the Business Council’s major Federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Business Council’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major Federal program. However, our audit does not provide a legal determination of the Business Council’s compliance.

Opinion on the Major Federal Program

In our opinion, the Business Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2019.
Report on Internal Control over Compliance

Management of the Business Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Business Council’s internal control over compliance with the types of requirements that could have a direct and material effect on the major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Business Council’s internal control over compliance.

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

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

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

Cheyenne, Wyoming
December 4, 2019
1. SUMMARY OF INDEPENDENT AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:
- Material weakness(es) identified? ☑ Yes ☐ No
- Significant deficiency(ies) identified? ☑ Yes ☑ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☑ No

Federal Awards

Internal control over major Federal program:
- Material weakness(es) identified? ☑ Yes ☐ No
- Significant deficiency(ies) identified? ☑ Yes ☑ None Reported

Type of auditor’s report issued on compliance for major Federal program: Unmodified
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☑ Yes ☐ No

Identification of major Federal program:

<table>
<thead>
<tr>
<th>CFDA Number</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.228</td>
<td>Community Development Block Grant</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between Type A and Type B program: $750,000

Auditee qualified as low-risk auditee? ☑ Yes ☐ No
II.  FINANCIAL STATEMENT FINDINGS
    None.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
    None.
**2018-001: Reporting**

| Catalog of Federal Assistance (CFDA) Number and Title: |
| CFDA #14.228 Community Development Block Grant |
| Federal Agency Name: |
| U.S. Department of Housing and Urban Development |
| Pass-Through Entity Name (if applicable): |
| N/A |

**Condition/Context:** During our review of the Section 3 report (HUD Form 60002), we noted the report was not filed timely, as it was filed on November 26, 2018 and the related performance annual report was filed as of December 31, 2017.

**Status:** The Business Council has updated its Policies and Procedures to include the collection of Section 3 reports at project close-out and to submit Section 3 reports with the Annual Action Plan at the end of every calendar year. CDBG staff calendars have been updated with reminders to prepare the report for submission during the first week of December and to ensure final submission has occurred by December 27th of each year.

**Auditor’s Comments:** Based on the Corrective Action Plan provided to us during the 2018 audit, we expected the Section 3 report to be submitted by March 30, 2019 with the submission of the related Performance Annual Report. However, per review of the U.S. Department of Housing and Urban Development letter addressed to the Wyoming Business Council, dated July 18, 2019, the Wyoming Business Council has been approved to submit the Section 3 report by December 27, 2019. Therefore, we do not consider this a finding due to the change made to the requirement.