

WYOMING BUSINESS COUNCIL

**A COMPONENT UNIT OF THE
STATE OF WYOMING**

FINANCIAL REPORT

JUNE 30, 2017

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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, 2017, 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. 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, 2017, 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 8, the Budgetary Comparison Statements on pages 31 through 34, the Schedule of the Business Council's Proportionate Share of the Net Pension Liability on page 35, the Schedule of the Business Council's Contributions on page 36, and Notes to Required Supplementary Information on page 37, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This Combining Statements of Other Governmental Funds are the responsibility of management and was derived from and relates 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Cheyenne, Wyoming
November 30, 2017

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, 2017 and 2016.

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, 2017 by \$35.5 million, an increase of \$695 thousand from the previous year.

Governmental Fund Financial Statements:

- As of June 30, 2017, the Business Council's governmental funds reported combined fund balances of \$38.7 million, an increase of \$973 thousand from the previous year.
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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 9 and 10.

Governmental Fund Financial Statements

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 11 through 14.

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 15 through 30.

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 and the Schedule of the Business Council's Contributions. 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*. The required supplementary information is presented on pages 31 through 37.

Combining Funds Statements

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 38 through 40.

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 \$35.5 million, which represents an investment of \$136,205 in capital assets, \$25.1 million in restricted net position (economic development, rural rehabilitation, business ready communities, and residential relending), and \$10.2 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 increased \$695 thousand during the current fiscal year, which can be attributed to increased loan activity in the business ready communities program.

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

STATEMENT OF NET POSITION - CONDENSED

	2017	2016
ASSETS		
Current assets	\$ 34,395,097	\$ 35,938,904
Noncurrent assets:		
Loans receivable	14,427,412	11,634,797
Capital assets	183,906	215,798
Total assets	\$ 49,006,415	\$ 47,789,499
DEFERRED OUTFLOWS OF RESOURCES	\$ 875,057	\$ 1,083,306
LIABILITIES		
Current liabilities	\$ 10,211,374	\$ 9,930,919
Noncurrent liabilities	3,827,045	3,943,723
Total liabilities	\$ 14,038,419	\$ 13,874,642
DEFERRED INFLOWS OF RESOURCES	\$ 361,201	\$ 210,867
NET POSITION		
Net investment in capital assets	\$ 136,205	\$ 150,558
Restricted for economic development	20,492,856	20,396,587
Restricted for rural rehabilitation	4,587,523	4,548,988
Restricted for business ready communities	48,780	80,097
Restricted for residential relending	-	1,662,662
Unrestricted	10,216,488	7,948,404
Total net position	\$ 35,481,852	\$ 34,787,296

Statement of Activities

Net position increased by \$695 thousand during the current fiscal year. The primary reason is due to decreased expenditures in line with state-wide budget cuts.

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

STATEMENT OF ACTIVITIES - CONDENSED

	2017	2016*
REVENUES		
Program revenues	\$ 2,501,833	\$ 3,232,825
General revenues	32,724,354	45,738,160
Total revenues	35,226,187	48,970,985
EXPENSES		
Administration	1,631,413	2,313,149
Business development	4,437,365	5,656,979
Regional offices	1,360,599	1,164,095
Community development	27,102,254	37,406,353
Payment to primary government	-	616,649
Total expenses	34,531,631	47,157,225
Increase in net position	694,556	1,813,760
Net position, beginning	34,787,296	32,973,536
Net position, ending	\$ 35,481,852	\$ 34,787,296

* Certain balances have been reclassified to be presented consistently with current year classifications.

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, 2017, the Business Council's governmental funds reported combined ending fund balances of \$38.7 million, an increase of \$973 thousand 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 \$13.3 million, which is unavailable for current use (nonspendable) because it is associated with a long-term receivable (loans receivable).

The fund balance of the economic development fund increased \$96,269 primarily due to interest income from loans and investments during the current fiscal year.

The fund balances of the Business Council's other governmental funds decreased \$1.7 million primarily due to the close-out of the American Recovery and Reinvestment Fund and the transfer of its net assets totaling \$1.6 million to the General Fund.

Revenues and Expenditures

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

STATEMENT OF REVENUES AND EXPENDITURES GOVERNMENTAL FUNDS

	2017		2016*		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	%
REVENUES						
Revenue from primary government	\$ 32,244,884	91.54%	\$ 44,737,029	91.35%	\$ (12,492,145)	-27.92%
Federal revenue	2,414,244	6.85%	2,974,609	6.07%	(560,365)	-18.84%
Investment income	437,842	1.24%	1,050,038	2.14%	(612,196)	-58.30%
Revenue from others	41,637	0.12%	96,265	0.20%	(54,628)	-56.75%
Charges for sales and services	87,589	0.25%	113,045	0.23%	(25,456)	-22.52%
Total revenues	\$ 35,226,196	100.00%	\$ 48,970,986	100.00%	\$ (13,744,790)	-28.07%
EXPENDITURES						
Administration	\$ 2,504,127	7.31%	\$ 2,191,493	4.75%	\$ 312,634	14.27%
Business development	4,095,929	11.96%	5,547,987	12.02%	(1,452,058)	-26.17%
Regional offices	948,205	2.77%	1,118,356	2.42%	(170,151)	-15.21%
Community development	26,705,320	77.96%	37,309,335	80.81%	(10,604,015)	-28.42%
Total expenditures	\$ 34,253,581	100.00%	\$ 46,167,171	100.00%	\$ (11,913,590)	-25.81%

* Certain balances have been reclassified to be presented consistently with current year classifications.

Revenues for governmental activities were \$35 million for fiscal year 2017, a decrease of 28.07% from the previous year. Revenues from primary government decreased \$12.5 million primarily due to decreased activity in the business ready communities program. Revenues from investment income decreased \$612,196 from the previous fiscal year primarily due to a decrease in the fair value of investments (\$156,665) and a decline in investment earnings.

Expenditures for governmental activities were \$34.3 million for the current fiscal year, a decrease of 25.81% from fiscal year 2016. This decrease is primarily due to a decrease in expenditures for 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, 2017 amounted to \$183,906 net of accumulated depreciation of \$796,055. This investment in capital assets includes construction in progress, 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 \$47,701. The \$31,892 decrease in net capital assets from the previous year is due to current year additions of \$40,119, less \$72,011 in depreciation expense.

The following is a Schedule of Capital Assets for the past two years:

**SCHEDULE OF CAPITAL ASSETS
(net of depreciation)**

	2017	2016
Construction in progress	\$ 7,850	\$ 36,960
Buildings	33,561	35,312
Leasehold improvements	3,078	3,889
Capitalized leases - equipment	29,624	47,888
Furniture, fixtures and equipment	27,999	36,666
Intangible assets	81,794	55,083
Total	\$ 183,906	\$ 215,798

Additional information on the Business Council's capital assets can be found in Note 4 of this report.

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

As a result of the decline in mineral prices and production, State revenues from these sources are significantly lower than previous estimates. The Governor is statutorily authorized to reduce budgets to prevent a deficit. For the 2017-2018 biennium, cuts totaling \$18,727,651 were authorized. The Governor also implemented a hiring freeze and advised State agencies to limit expenditures to those that are essential.

One loan was approved after June 30, 2017 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 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 the balance from the economic development account to the large project account to fund these loans.

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, WY 82002.

WYOMING BUSINESS COUNCIL

STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS

Current Assets	
Deposits with State Treasurer	\$ 31,651,179
Deposits in bank	30,969
Accounts receivable	218,432
Interest receivable	155,253
Due from primary government	28,320
Due from Federal government	1,259,881
Loans receivable, net	<u>1,051,063</u>
Total current assets	<u>34,395,097</u>
Noncurrent Assets	
Loans receivable, net	14,427,412
Capital assets not being depreciated:	
Construction in progress	7,850
Capital assets, net of accumulated depreciation:	
Buildings	33,561
Leasehold improvements	3,078
Capitalized leases - equipment	29,624
Furniture, fixtures and equipment	27,999
Intangibles	<u>81,794</u>
Total noncurrent assets	<u>14,611,318</u>
Total assets	<u>49,006,415</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Related Outflows	<u>875,057</u>
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LIABILITIES

Current Liabilities	
Accounts payable	8,704,171
Due to primary government	1,408,026
Accrued payroll	7,378
Compensated absences payable	71,835
Capital leases payable	19,764
Advance payments	<u>200</u>
Total current liabilities	<u>10,211,374</u>
Noncurrent Liabilities	
Capital leases payable	27,937
Net pension liability	<u>3,799,108</u>
Total noncurrent liabilities	<u>3,827,045</u>
Total liabilities	<u>14,038,419</u>

DEFERRED INFLOWS OF RESOURCES

Pension Related Inflows	<u>361,201</u>
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NET POSITION

Net investment in capital assets	136,205
Restricted for economic development	20,492,856
Restricted for rural rehabilitation	4,587,523
Restricted for business ready communities	48,780
Unrestricted	<u>10,216,488</u>
Total net position	<u>\$ 35,481,852</u>

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expenses)
		Charges for Sales and Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities				
Administration	\$ 1,631,413	\$ 16,046	\$ -	\$ (1,615,367)
Business development	4,437,365	40,169	-	(4,397,196)
Regional offices	1,360,599	-	-	(1,360,599)
Community development	27,102,254	31,374	2,414,244	(24,656,636)
Total	\$ 34,531,631	\$ 87,589	\$ 2,414,244	\$ (32,029,798)
General Revenues				
Appropriation from primary government				\$ 32,244,884
Investment income				437,833
Other				41,637
Total general revenues				32,724,354
Change in net position				694,556
Net Position, beginning				34,787,296
Net Position, ending				\$ 35,481,852

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General Fund	Economic Development Fund	Rural Rehabilitation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Deposits with State Treasurer	\$ 8,386,550	\$ 18,332,046	\$ 4,593,003	\$ 339,580	\$ 31,651,179
Deposits in bank	1,739	-	-	29,230	30,969
Accounts receivable	9,980	166,722	38,828	2,902	218,432
Interest receivable	82,230	60,594	11,740	689	155,253
Due from primary government	28,320	-	-	-	28,320
Due from Federal government	1,259,881	-	-	-	1,259,881
Loans receivable, net	13,303,526	2,174,949	-	-	15,478,475
Total assets	\$ 23,072,226	\$ 20,734,311	\$ 4,643,571	\$ 372,401	\$ 48,822,509
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 8,378,987	\$ 241,455	\$ 56,048	\$ 27,681	\$ 8,704,171
Due to primary government	1,382,140	-	-	25,886	1,408,026
Accrued payroll	7,378	-	-	-	7,378
Advance payments	200	-	-	-	200
Total liabilities	9,768,705	241,455	56,048	53,567	10,119,775
Fund Balances					
Nonspendable:					
Loans receivable	13,303,521	-	-	-	13,303,521
Restricted	-	-	4,587,523	62	4,587,585
Committed	-	20,492,856	-	48,780	20,541,636
Assigned	-	-	-	269,992	269,992
Total fund balances	13,303,521	20,492,856	4,587,523	318,834	38,702,734
Total liabilities and fund balances	\$ 23,072,226	\$ 20,734,311	\$ 4,643,571	\$ 372,401	\$ 48,822,509

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances - governmental funds		<u>\$ 38,702,734</u>
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 those assets are reported as expenditures in governmental funds. These assets consist of:		
Construction in progress	\$ 7,850	
Buildings	43,900	
Leasehold improvements	16,199	
Capitalized leases, net of related capital leases payable	(18,077)	
Furniture, fixtures and equipment	319,752	
Intangibles	500,940	
Accumulated depreciation	<u>(734,359)</u>	
Total capital assets, net of capital leases payable		136,205
Deferred outflows of resources that are not available for current period expenditures and are not reported in the governmental funds.		
		875,057
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:		
Compensated absences payable	(71,835)	
Net pension liability	(3,799,108)	
Deferred inflows of resources	<u>(361,201)</u>	
Total liabilities and deferred inflows of resources		<u>(4,232,144)</u>
Net position of governmental activities		<u><u>\$ 35,481,852</u></u>

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	General Fund	Economic Development Fund	Rural Rehabilitation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Revenue from primary government	\$ 32,244,884	\$ -	\$ -	\$ -	\$ 32,244,884
Federal revenue	2,414,244	-	-	-	2,414,244
Interest income	132,573	379,925	78,029	3,980	594,507
Net (decrease) in the fair value of investments	-	(124,827)	(29,080)	(2,758)	(156,665)
Revenue from others	41,576	-	-	61	41,637
Charges for sales and services	87,344	345	-	(100)	87,589
Total revenues	34,920,621	255,443	48,949	1,183	35,226,196
EXPENDITURES					
Administration	2,482,448	-	-	21,679	2,504,127
Business development	3,927,068	159,174	10,414	(727)	4,095,929
Regional offices	948,205	-	-	-	948,205
Community development	26,674,497	-	-	30,823	26,705,320
Total expenditures	34,032,218	159,174	10,414	51,775	34,253,581
Excess (deficiency) of revenues over expenditures	888,403	96,269	38,535	(50,592)	972,615
OTHER FINANCING SOURCES (USES)					
Transfers in	1,661,458	-	-	14,767	1,676,225
Transfers out	(14,767)	-	-	(1,661,458)	(1,676,225)
Total other financing sources (uses)	1,646,691	-	-	(1,646,691)	-
Net change in fund balances	2,535,094	96,269	38,535	(1,697,283)	972,615
Fund balances, beginning	10,768,427	20,396,587	4,548,988	2,016,117	37,730,119
Fund balances, ending	\$ 13,303,521	\$ 20,492,856	\$ 4,587,523	\$ 318,834	\$ 38,702,734

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds	<u>\$ 972,615</u>
 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:	
Capital outlay	\$ 40,119
Depreciation expense	<u>(72,011)</u> (31,892)
 Principal payments on capital lease obligations is an expenditure in governmental funds, but the repayment is a reduction of long-term liabilities in the Statement of Net Position	
	17,540
 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 in the governmental funds. In the current period, these amounts are:	
Compensated absences	(2,038)
Pension expense, net of amortization	<u>(261,669)</u> (263,707)
Change in net position of governmental activities	<u><u>\$ 694,556</u></u>

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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:

	<u>Years</u>
Buildings	25
Leasehold improvements	7
Furniture, fixtures and equipment	3-14
Intangible assets	3-5

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, 2017 are computer software and website development costs, which were capitalized in accordance with Governmental Accounting Standards Board (GASB) Statement No. 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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

K. Compensated absences

Employees of the Business Council earn vacation leave based on their level of responsibility and number of years of service; leave not used at the end of the vacation accrual year does not vest. Vacation leave is accrued from October 1 to September 30 of each 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, 2017.

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. Deferred outflows

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.

P. Deferred inflows

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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Q. Fund balances

The Business Council has implemented GASB Statement No. 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.

R. 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.

S. 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.

T. Recent pronouncement

Not yet adopted:

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which will replace GASB Statement No. 45 and will require balance sheet recognition of a liability which resembles the current unfunded accrued liability. The Statement will be effective for fiscal years beginning after June 15, 2017. The effect that the adoption of GASB Statement No. 75 will have on the Business Council's financial statements has not yet been determined.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Note 2. DEPOSITS WITH STATE TREASURER

The Master Investment Policy (Policy) sets forth a ‘road map’ on how the investment program should be run. The Policy spells out what can and cannot be done, roles and responsibilities, acceptable transactions, prohibited transactions and performance expectations on its managed funds. State statutes, as incorporated into the Policy, authorize the State to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government; bonds issued by Wyoming agencies or political subdivisions; corporate notes, bonds, and debentures; commercial paper; banker’s acceptances; loans specifically identified by statutes; and other securities specifically authorized by the Legislature. The State Loan Investment Board (the “Board”) reviews the Policy annually. This Board is comprised of the State’s five elected officials.

Those managing the State’s investment program are governed in part by the prudent investor rule contained in the State’s Uniform Prudent Investor Advisor Act. This rule states in part:

"Trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust."

The Policy further states “investments or groups of investments shall not be evaluated in isolation but in the context of the entire investment portfolio and as part of an overall investment strategy of the trust or fund from which the investment is derived, consistent with the policies for such trust or fund established ... by the Board.”

State statutes were revised to allow monies in the permanent funds to be invested in common stock of United States corporations not to exceed fifty-five percent (55%) of the State’s cash balance. It is a primary goal of the State’s Master Investment Policy to obtain an optimal asset allocation for Wyoming’s investments to take full advantage of this new authority. This includes determining the optimal division of an investment portfolio among available asset classes, factoring in such elements as risk and return as central to the overall financial planning and investment management. Investment selection for all funds shall be based on legality, appropriateness, liquidity, and risk/return considerations.

The State of Wyoming’s permanent funds are not registered with the SEC as an investment company.

The Business Council investments held by the State Treasurer’s Office at June 30, 2017 are presented as follows:

	Fair Value	Percentage
Investment Type:		
Fixed income investments	\$ 31,651,179	100.00%

The State of Wyoming’s investment pool is subject to the following risks.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Interest rate risk – Interest rate risk is the exposure that the fair value of the State’s fixed-income investments fluctuates in response to changes in market interest rates. An element of interest rate risk are those securities which are ‘highly sensitive’ to changes in interest rates. The State has no formal policy with respect to managing interest rate risk within its Master Investment Policy; however, the Policy does provide guidance relative to safety, liquidity and yield using the following criteria:

- Funds are analyzed by asset class including cash to determine if securities need to be purchased or sold.
- Future needs are determined and current positions are reviewed.
- Economic, market and interest rate assumptions are considered.
- Securities are selected based on market value, price and availability.
- Trades are executed to raise cash, to shift maturity, to change asset mix, to enhance yield and to improve quality.

Credit risk – Credit risk is the risk the issuer will not fulfill its obligation to the holder of the investment. The minimum credit ratings for investment debt securities as provided in the State’s Master Investment Policy for fixed income managers are A1 or equivalent for commercial paper, BBB- for long-term corporate debt, BBB- for mortgage fixed income securities, BBB- for mortgage-backed securities, and BBB- for asset-backed securities. Either Standard and Poor’s, Fitch, or Moody’s ratings are acceptable. If the issue is rated by all three rating agencies, the middle rating will apply. If the issue is rated by two rating agencies, the lower rating will apply. Legislatively authorized investments represent those investments the Treasurer has been directed to invest in by the Legislature and/or approved by the Legislature.

Foreign currency risk – Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. This risk disclosure applies only to investments that are denominated in foreign currencies. The State’s Master Investment Policy does not provide a policy for foreign currency diversification.

Custodial credit risk – The State does not have any custodial credit risk exposure.

Concentration of credit risk – The Wyoming State Treasurer’s fixed income portfolio contains fixed income securities in government agency securities. These agency securities hold a rating of AA+. While the State’s Master Investment Policy sets limits for concentration of investments, it provides that United States agency bonds are eligible without limitation.

Detailed information on the State Treasurer’s pooled cash and investments is available from that office.

WYOMING BUSINESS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

Note 3. LOANS RECEIVABLE

Interest rates on loans vary from 0.0% to 4.5% 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, 2017, loans receivable included outstanding loans to three major loan customers totaling \$8,004,083, which comprised approximately 50% of gross loans receivable as of that date. There were no loans charged off during the year ended June 30, 2017. Loans receivable as of June 30, 2017 are as follows:

	Loan Type	Gross Balance	Allowance	Net Balance
General Fund	Mainstreet	\$ 32,354	\$ -	\$ 32,354
General Fund	Business Ready Community	12,257,087	-	12,257,087
General Fund	Residential Relending	1,014,085	-	1,014,085
Economic Development Fund	Amendment IV	320,383	203,000	117,383
Economic Development Fund	Challenge	18,005	18,005	-
Economic Development Fund	Economic Disaster	1,621,300	170,242	1,451,058
Economic Development Fund	Natural Gas Infrastructure	240,214	-	240,214
Economic Development Fund	Bridge	470,786	104,492	366,294
		<u>\$ 15,974,214</u>	<u>\$ 495,739</u>	<u>\$ 15,478,475</u>

Note 4. CAPITAL ASSETS

Capital asset activity in the government-wide financial statements for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 36,960	\$ 7,850	\$ (36,960)	\$ 7,850
Capital assets being depreciated:				
Buildings	43,900	-	-	43,900
Leasehold improvements	16,199	-	-	16,199
Capitalized leases - equipment	91,320	-	-	91,320
Furniture, fixtures, and equipment	341,777	-	(22,025)	319,752
Intangible assets	437,911	69,229	(6,200)	500,940
Total capital assets being depreciated	931,107	69,229	(28,225)	972,111
Less accumulated depreciation:				
Buildings	(8,588)	(1,751)	-	(10,339)
Leasehold improvements	(12,310)	(811)	-	(13,121)
Capitalized leases - equipment	(43,432)	(18,264)	-	(61,696)
Furniture, fixtures, and equipment	(305,111)	(8,667)	22,025	(291,753)
Intangible assets	(382,828)	(42,518)	6,200	(419,146)
Total accumulated depreciation	(752,269)	(72,011)	28,225	(796,055)
Capital assets, net	<u>\$ 215,798</u>	<u>\$ 5,068</u>	<u>\$ (36,960)</u>	<u>\$ 183,906</u>

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 26,259
Business Development	17,107
Regional offices	15,118
Community Development	13,527
	<u>\$ 72,011</u>

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 January 2020.

Operating leases – Expenditures on operating leases are recognized as incurred. Total rent expense for these operating leases for the year ended June 30, 2017 was \$170,483. Future minimum lease payments for operating leases are as follows:

Year Ending June 30,	
2018	\$ 133,191
2019	5,400
2020	2,100
Total minimum payments	<u>\$ 140,691</u>

Capital leases – The gross amount of assets recorded under capital leases as of June 30, 2017 was \$91,320 with accumulated depreciation of \$61,696. During the year ended June 30, 2017, principal payments of \$17,540 were paid. Future minimum lease payments for capital leases are as follows:

Year Ending June 30,	
2018	\$ 24,425
2019	24,425
2020	5,777
	<u>54,627</u>
Less: interest	<u>(6,926)</u>
Present value of lease payments:	<u>\$ 47,701</u>

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Note 6. RETIREMENT COMMITMENT – WYOMING RETIREMENT SYSTEM

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/home/index.html>.

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 State Statutes, for the year ended June 30, 2017, member contributions were required to be 8.25% of compensation and employer contributions were required to be 8.37% of compensation. In accordance with Title 9-3-412(c)(ii) of State Statutes, the Business Council has elected to pay 72% of the member’s contribution in addition to the employer’s contribution. Total employee and employer contributions to the pension plan from the Business Council were \$474,660 for the year ended June 30, 2017.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2017, the Business Council reported a liability of \$3,799,108 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 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, 2016 to the contributions of all participating employers for the same period. At December 31, 2016, the Business Council’s proportion was 0.157150275%, which was a decrease from its December 31, 2015 proportion of 0.167258117%.

WYOMING BUSINESS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

For the year ended June 30, 2017, the Business Council recognized pension expense of \$499,733. At June 30, 2017, the Business Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 105,115
Net difference between projected and actual earnings on pension plan investments	751,213	-
Changes in proportionate share of contributions	-	256,086
Contributions subsequent to the measurement date	123,844	-
	\$ 875,057	\$ 361,201

An amount of \$123,844 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 113,935
2019	128,281
2020	136,628
2021	11,168
	\$ 390,012

Actuarial assumptions – The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25% – 6.00%, including inflation
Payroll growth rate	4.25%
Investment rate of return	7.75%, net of pension plan investment expense

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

WYOMING BUSINESS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Rate of Return	Long-Term Expected Arithmetic Rate of Return
Cash	0.00%	-0.20%	-0.20%
Fixed income	20.00%	1.43%	1.95%
Equity	45.00%	5.72%	7.73%
Marketable alternatives	17.50%	3.03%	3.73%
Private markets	17.50%	5.84%	7.14%
	<u>100.00%</u>		

Experience analysis – An experience study was conducted on behalf of all WRS’s plans covering the five-year period ended December 31, 2011. 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 7.75%. 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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 5,456,788	\$ 3,799,108	\$ 2,406,815

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System at 6101 Yellowstone Road, Cheyenne, Wyoming 82002, or via their website at <http://retirement.state.wy.us/home/index.html>.

Note 7. 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.

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, 2017, 2016, and 2015 totaled \$8,820, \$8,900, and \$9,560, respectively.

Note 8. 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, 2017.

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, 2017, the Business Council contributed up to \$754, \$1,146, \$1,499, and \$1,715 (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, 2017 were \$679,011.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Workers' compensation – Wyoming 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, 2017, the Business Council's contributions to the Workers' Compensation Fund were \$52,760.

Unemployment compensation – The Business Council does not carry unemployment insurance but pays the cost of actual claims incurred. The Business Council paid no unemployment claims for the year ended June 30, 2017.

Note 9. TRANSACTIONS WITH THE STATE, UNIVERSITY OF WYOMING, AND WYOMING OFFICE OF TOURISM

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, 2017 were \$142,940.

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, 2017 was \$78,000.

The Business Council has entered into several agreements with the University of Wyoming (UW) to fund 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, and Technology Business Center programs. Total amounts expended to UW for the year ended June 30, 2017 were \$2,277,663, of which \$132,146 is included in accounts payable as of June 30, 2017. The Business Council is committed for amounts remaining under these agreements in the amount of \$643,008 as of June 30, 2017.

Note 10. 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, 2017 totaled \$1,933,375. These will be funded by a combination of State appropriations and restricted net position.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 \$40,272,118 as of June 30, 2017. These commitments will be funded by a combination of restricted net position, State appropriations and Federal revenues.

Note 11. SUBSEQUENT EVENTS

The Business Council has entered into various agreements subsequent to June 30, 2017, primarily with local governments for economic development infrastructure projects effective through December 1, 2022. These agreements are valued at up to but no more than \$4,195,247. These agreements will be funded by a combination of State appropriations and Federal revenues.

The Business Council distributed \$206,475 after June 30, 2017 out of the Economic Development fund for loans approved but undistributed as of June 30, 2017.

Subsequent to June 30, 2017, a loan totaling \$1,225,000 was approved under the provisions of the Business Ready Communities Grant and Loan program. This loan will be distributed out of State appropriations.

Subsequent to June 30, 2017, 20 loans totaling \$5,396,750 were approved under the provisions of the Economic Development fund for loans.

One loan was approved after June 30, 2017 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 the balance from the economic development account to the large project account to fund these loans.

As a result of the decline in mineral prices and production, State revenues from these sources continue to be negatively impacted and the Governor is statutorily authorized to reduce budgets to prevent a deficit. For the 2017-2018 biennium, the Governor cut \$4,181,441 to the Business Council's appropriation.

REQUIRED SUPPLEMENTARY INFORMATION

WYOMING BUSINESS COUNCIL

**BUDGETARY COMPARISON STATEMENTS
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

General Fund						
	Budgeted Amounts		Actual	Encumbrances	Total	Variance with Final Budget
	Original	Final			Actual and Encumbrances	
REVENUES						
Revenue from primary government	\$ 28,048,533	\$ 40,712,491	\$ 14,508,461	\$ -	\$ 14,508,461	\$ (26,204,030)
Federal revenue	3,118,016	4,218,169	1,748,048	-	1,748,048	(2,470,121)
Investment income	-	67,591	105,612	-	105,612	38,021
Revenue from others	300,162	893,058	987,661	-	987,661	94,603
Charges for sales and services	-	3,416	62,574	-	62,574	59,158
Total revenues	31,466,711	45,894,725	17,412,356	-	17,412,356	(28,482,369)
EXPENDITURES						
Administration	2,165,266	2,165,266	1,833,003	66,922	1,899,925	265,341
Business Development	4,801,672	5,007,572	3,978,330	639,218	4,617,548	390,024
Regional offices	1,021,351	1,021,351	937,812	7,027	944,839	76,512
Community Development	23,478,422	37,700,536	10,663,211	22,277,042	32,940,253	4,760,283
Total expenditures	31,466,711	45,894,725	17,412,356	22,990,209	40,402,565	5,492,160
(Deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ (22,990,209)	\$ (22,990,209)	\$ (22,990,209)

Continued

WYOMING BUSINESS COUNCIL

**BUDGETARY COMPARISON STATEMENTS (Continued)
ECONOMIC DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2017**

Economic Development Fund						
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	Variance with Final Budget
	Original	Final				
REVENUES						
Revenue from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal revenue	-	-	-	-	-	-
Investment income	245,438	245,438	463,991	-	463,991	218,553
Revenue from others	325,000	11,437,768	1,741,090	-	1,741,090	(9,696,678)
Charges for sales and services	-	-	345	-	345	345
Total revenues	570,438	11,683,206	2,205,426	-	2,205,426	(9,477,780)
EXPENDITURES						
Administration	-	-	-	-	-	-
Agribusiness	-	-	-	-	-	-
Business and industry	570,438	11,683,206	1,748,175	30,588	1,778,763	9,904,443
Regional offices	-	-	-	-	-	-
Investment ready communities	-	-	-	-	-	-
	570,438	11,683,206	1,748,175	30,588	1,778,763	9,904,443
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ 457,251	\$ (30,588)	\$ 426,663	\$ 426,663

Continued

WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON STATEMENTS (Continued)
RURAL REHABILITATION FUND
YEAR ENDED JUNE 30, 2017

Rural Rehabilitation Fund						
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	Variance with Final Budget
	Original	Final				
REVENUES						
Revenue from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal revenue	-	-	-	-	-	-
Investment income	-	228,304	98,229	-	98,229	(130,075)
Revenue from others	-	-	-	-	-	-
Charges for sales and services	-	-	-	-	-	-
Total revenues	-	228,304	98,229	-	98,229	(130,075)
EXPENDITURES						
Administration	-	-	-	-	-	-
Agribusiness	-	228,304	15,414	-	15,414	212,890
Business and industry	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-
Investment ready communities	-	-	-	-	-	-
Total expenditures	-	228,304	15,414	-	15,414	212,890
Excess of revenues over expenditures	\$ -	\$ -	\$ 82,815	\$ -	\$ 82,815	\$ 82,815

WYOMING BUSINESS COUNCIL

**EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS
AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES
GENERAL FUND, ECONOMIC DEVELOPMENT FUND,
AND RURAL REHABILITATION FUND
YEAR ENDED JUNE 30, 2017**

	General Fund	Economic Development Fund	Rural Rehabilitation Fund
Sources/inflows of resources:			
Actual amounts "available for appropriation" from the Budgetary Comparison Schedules	\$ 17,412,356	\$ 2,205,426	\$ 98,229
Differences in accrual basis revenues and cash basis budgetary amounts	<u>(17,508,265)</u>	<u>1,949,983</u>	<u>49,280</u>
Total revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u><u>\$ 34,920,621</u></u>	<u><u>\$ 255,443</u></u>	<u><u>\$ 48,949</u></u>
Uses/outflows of resources:			
Actual amounts "charged to appropriations" from the Budgetary Comparison Schedules	\$ 40,402,565	\$ 1,778,763	\$ 15,414
Differences in accrual basis expenditures and cash basis budgetary amounts	16,619,862	(1,589,001)	(5,000)
Encumbrances	<u>(22,990,209)</u>	<u>(30,588)</u>	<u>-</u>
Total expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u><u>\$ 34,032,218</u></u>	<u><u>\$ 159,174</u></u>	<u><u>\$ 10,414</u></u>

WYOMING BUSINESS COUNCIL

**SCHEDULE OF THE BUSINESS COUNCIL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Public Employee Pension Plan

Last Four (4) Fiscal Years*

	Business Council's proportion of the net pension liability	Business Council's proportionate share of the net pension liability	Business Council's covered payroll	Business Council's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.178002044%	\$ 2,706,344	\$ 3,071,787	88.10%	81.10%
2015	0.175695792%	3,100,490	3,105,431	99.84%	79.08%
2016	0.167258117%	3,896,023	2,993,370	130.16%	73.40%
2017	0.157150275%	3,799,108	3,045,573	124.74%	73.42%

** 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 Note to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

SCHEDULE OF THE BUSINESS COUNCIL'S CONTRIBUTIONS

Public Employee Pension Plan

Last Four (4) Fiscal Years*

	Statorily required contribution	Contributions in relation to the statorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll pension liability
2014	\$ 214,638	\$ 214,638	\$ -	\$ 3,014,582	7.12%
2015	235,816	235,816	-	3,094,695	7.62%
2016	247,089	247,089	-	2,952,081	8.37%
2017	239,037	239,037	-	2,855,879	8.37%

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

See Note to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

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 34 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, 2017.

Note 3. PENSION PLAN

Changes in benefit terms – There were no changes in benefit terms between the December 31, 2015 measurement date and the December 31, 2016 measurement date.

Changes in assumptions – There were no changes in assumptions between the December 31, 2015 measurement date and the December 31, 2016 measurement date.

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.

American Recovery and Reinvestment Fund – used to account for Federal funds awarded to the Business Council under the American Recovery and Reinvestment Act of 2009. This fund was closed during the fiscal year and transferred to the General Fund.

WYOMING BUSINESS COUNCIL

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Business Ready Communities Fund	Wyoming Business Council Fund	Economic and Workforce Development Fund	American Recovery and Reinvestment Fund	Total
ASSETS					
Deposits with State Treasurer	\$ 72,063	\$ 267,517	\$ -	\$ -	\$ 339,580
Deposits in bank	-	-	29,230	-	29,230
Accounts receivable	623	2,279	-	-	2,902
Interest receivable	-	689	-	-	689
Total assets	\$ 72,686	\$ 270,485	\$ 29,230	\$ -	\$ 372,401
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 23,906	\$ 3,775	\$ -	\$ -	\$ 27,681
Due to primary government	-	25,886	-	-	25,886
Total liabilities	23,906	29,661	-	-	53,567
Fund Balance					
Restricted	-	62	-	-	62
Committed	48,780	-	-	-	48,780
Assigned	-	240,762	29,230	-	269,992
Total fund balance	48,780	240,824	29,230	-	318,834
Total liabilities and fund balances	\$ 72,686	\$ 270,485	\$ 29,230	\$ -	\$ 372,401

WYOMING BUSINESS COUNCIL

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Business Ready Communities Fund	Wyoming Business Council Fund	Economic and Workforce Development Fund	American Recovery and Reinvestment Fund	Total
REVENUES					
Interest income	\$ -	\$ 4,620	\$ 3	\$ (643)	\$ 3,980
Net (decrease) in the fair value of investments	(494)	(1,703)	-	(561)	(2,758)
Revenue from others	-	50	11	-	61
Charges for sales and services	-	(100)	-	-	(100)
Total revenues	(494)	2,867	14	(1,204)	1,183
EXPENDITURES					
Administration	-	21,654	25	-	21,679
Business development	-	(727)	-	-	(727)
Community development	30,823	-	-	-	30,823
Total expenditures	30,823	20,927	25	-	51,775
(Deficiency) of revenues over expenditures	(31,317)	(18,060)	(11)	(1,204)	(50,592)
OTHER FINANCING SOURCES					
Transfers in	-	14,767	-	-	14,767
Transfers out	-	-	-	(1,661,458)	(1,661,458)
Total other financing sources (uses)	-	14,767	-	(1,661,458)	(1,646,691)
Net change in fund balances	(31,317)	(3,293)	(11)	(1,662,662)	(1,697,283)
Fund balances, beginning	80,097	244,117	29,241	1,662,662	2,016,117
Fund balances, ending	\$ 48,780	\$ 240,824	\$ 29,230	\$ -	\$ 318,834