

Board of Directors Agenda | March 2021 Regular Meeting | By Zoom Webinar

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Wednesday, March 10

Dress code is business attire

8:00 a.m. Convene Public Meeting – Co-chair Mike Easley

- Pledge of Allegiance
- Roll call and Introduction of Board Members
 - **ACTION ITEM:** Consideration of approval of minutes from December 2020 Regular Meeting by Webinar (Page 4)
- *A final report/summary of the ConnectWyoming program begins on Page 7*
- *Written updates from WBC Regional Directors begin on Page 10*

8:10 a.m. 2021 Officers Nominating Committee Report

- **ACTION ITEM:** Consideration of nominating committee recommendations for 2021 Board Officers
- 2021 Standing Committee Realignment, Chair Assignments

8:30 a.m. East Central Region Spotlight – Regional Director Kim Rightmer

Casper Entrepreneurial Discussion with Impact 307 Director Eric Schlidt and Assistant Director John Glassburn, and Advance Casper President/CEO Justin Farley

9:00 a.m. CEO Update – Chief Executive Officer Josh Dorrell

- Wyoming Economic Overview – Chief Strategy Officer Sarah Fitz-Gerald
- State of Wyoming's energy economy – Wyoming Energy Authority, UW School of Energy Resources, Steve Degenfelder / Kirkwood Companies

10:30 a.m. Morning Break – *All participants will be muted*

10:40 a.m. Business Contract and Loan Standing Committee – Chairman Jason Kintzler (Starts at Page 14)

- **Quarterly Challenge Loan Report** – Economic Development Finance Manager Josh Keefe
 - **ACTION ITEM:** Consideration of approval of quarterly Challenge Loan report
- **Amendment Two to the Contract with Markee Escrow Services, Inc. for continued management of WBC Loan Portfolio**
 - **ACTION ITEM:** Consideration of staff recommendations
- **Proposed Amendments to Administrative Rules for the Large Loan Program**
 - **ACTION ITEM:** Consideration of adoption of amended rules

11:00 a.m. Personnel, Budget and Audit Standing Committee – Chairwoman Kathy Tomassi (Starts at Page 28)

- **Business Relief Program Update** – Chief Operating Officer Amy Grenfell
- **Q2 FY2021 Financial Report** – Accounting Manager Lyndsay Orr
 - **ACTION ITEM:** Consideration of approval of quarterly financial report
- **FY2020 Financial Audit Report** – COO Amy Grenfell, Wayne Herr – Partner, MHP, LLP
 - **ACTION ITEM:** Consideration of acceptance of FY2020 Financial Audit
- **Personnel & Organizational Report** – HR Manager Chava Case

11:30 a.m. Executive Session for discussion of Personnel Matters / CEO Transition Committee

- **ACTION ITEM:** Consideration of Executive Session for discussion of personnel matters
 - **Board members** will retire to an alternate meeting room for the Executive Session and recess to lunch upon conclusion; **please DISCONNECT from the webinar** and check your email for instructions on how to access the Executive Session room.
 - **WBC staff and members of the public** are excused for the lunch recess at this time.
 - **We will reconvene public session in this same Zoom Webinar room promptly at 1:00 p.m. unless otherwise specified.**

12:00 p.m. Lunch Break – *All participants will be muted; please disable your webcam*

1:00 p.m. Re-convene Public Meeting

- Roll call of Board Members
- **CEO Transition Committee Report** – Mike Easley, Committee Chair
 - **ACTION ITEM:** Consideration of Transition Committee recommendations

1:10 p.m. Community Grant and Loan Standing Committee – Chairwoman Erin Moore (Starts at Page 101)

- **Review of BRC Allocation Plan Funding Targets** – Investments Division Director Julie Kozlowski

Q3 Allocation Target pending April 1, 2021 SLIB

| BRC Project Types | Priorities | % of Allocation | Allocation Available |
|--|------------|-----------------|----------------------|
| Business Committed & Managed Data Ctr Cost | High | 45% | \$ 4,132,377 |
| Community Development | Medium | 54% | \$ 4,958,852 |
| Planning | Low | 1% | \$ 91,831 |
| | | | \$ 9,183,060 |

- Business Ready Communities staff Noelle Reed and John Wendling will present the following projects for consideration:

| BRC Applications Received December 1, 2020 | | | | |
|--|-----------------------------------|------------------------------------|----------------------|----------------------|
| Applicant | Project | Type | Request | Staff Recommendation |
| Lander, City of | Maven Headquarters Grant | Business Committed | \$ 3,000,000 | \$ 3,000,000 |
| Lander, City of | Maven Headquarters Loan | Business Committed | \$ 2,705,392 | \$ 2,705,392 |
| Laramie County | Vmaccel | Managed Data Center Cost Reduction | \$ 2,250,000 | \$ 2,250,000 |
| Southwest Wyoming Regional Airport JPB | Commercial Terminal Modernization | Community Readiness | \$ 3,000,000 | \$ 3,000,000 |
| Total Requests | | | \$ 10,955,392 | \$ 10,955,392 |
| Total Available BRC Funds | | | | \$ 45,915,299 |
| Funds remaining if awarded | | | | \$ 34,959,907 |

- *Board members and interested members of the public are encouraged to view this video provided by Maven: [https://www.youtube.com/watch?v= TuKkIUisq0&t=12s](https://www.youtube.com/watch?v=TuKkIUisq0&t=12s)*
- *Letters of support for these projects begin on Page 121*
 - **ACTION ITEM:** Consideration of staff recommendations for each project
- **Wyoming Malting Payoff/Settlement** – Investments Division Director Julie Kozlowski
- **Application for USDA Rural Development Grant**
 - **ACTION ITEM:** Consideration of staff recommendations

3:00 p.m. Other Board Matters and Adjournment

- **Standing Committee** meetings will be held this quarter during the week of April 12:
 - **Investments Committee (formerly Community Grant and Loan):** Tuesday, April 13 at 10:00 a.m.
 - **Operations Committee (formerly Personnel, Budget and Audit):** Wednesday, April 14 at 10:00 a.m.
 - **Services Committee (formerly Business Contract and Loan):** Friday, April 16 at 10:00 a.m.
 - Remaining 2021 Committee Weeks:
 - April 12-16
 - August 9-13
 - November 1-5
- **Regular Board Meetings** for 2021:
 - May 11-12 at Cheyenne
 - Rooming information on Google Calendar; agenda and materials pending
 - September 16 by Webinar
 - December 9 by Webinar

REGULAR MEETING OF THE WYOMING BUSINESS COUNCIL BOARD OF DIRECTORS

Thursday, December 10, 2020 | 8:00 a.m. | by Zoom Webinar

BOARD PRESENT: Chuck Brown III, John Coyne III, Kim DeVore, Mike Easley, Ron Harvey, Allen Hoopes, Cindy Johnson, Chuck Kenyon, Jason Kintzler, Alex Klein, Mark Law, Erin Moore, Pam Thayer, Kathy Tomassi

STAFF PRESENT: Bert Adam, Sue Akey, Warren Appel, Chava Case, TJ Croissant, Josh Dorrell, Karen Fate, Sarah Fitz-Gerald, Amy Grenfell, Ron Gullberg, Brandi Harlow, Josh Keefe, Julie Kozlowski, Ryan Kudera, Wendy Lopez, Justin Mabie, Brandon Marshall, Lyndsay Orr, Marcio Paes-Barreto, Ben Peterson, Amy Quick, Noelle Reed, Kim Rightmer, Jill Tregemba, Heather Tupper, John Wendling, Elaina Zempel

CONVENE PUBLIC MEETING

Co-chair Mike Easley called the meeting to order at 8:04 a.m. and led the Board in the Pledge of Allegiance. Roll was called and quorum was established.

- **ACTION ITEM:** Motion to approve December 2020 Consent Agenda by Mr. Kenyon, second by Ms. DeVore, and no discussion or corrections. Motion carried unanimously.

COMMUNITY SPOTLIGHT: SUNDANCE

Northeast Regional Director Brandi Harlow welcomed the Board with a video tour of Sundance and a Q&A Session with Kathy Lenz of the City of Sundance and Jeanne Whalen of the Crook County Commissioners.

CEO REPORT

CEO Josh Dorrell offered thanks to Brandi, Kathy and Jeanne for the Sundance tour, then provided a review of 2020 including budget reductions and the completion of the recent leadership and cultural assessments which objectively evaluation the organization. Dorrell spoke to the impact of the CARES funds and Business Relief Programs as an all-team project, and spoke to the WBC's efforts at looking ahead to channel the momentum gained from 2020's successes. Dorrell thanked Mr. Easley for his contemplative and deliberate leadership during a very uncertain year.

PERSONNEL, BUDGET AND AUDIT STANDING COMMITTEE

Human Resources Manager Chava Case presented the personnel report for the quarter ending September 30.

Account Manager Lyndsay Orr presented quarterly financial reports for 1Q FY2021

- **ACTION ITEM:** Motion to accept quarterly financial report by Mr. Brown, second by Mr. Coyne, and no discussion. Motion carried unanimously.

Chief Operating Officer Amy Grenfell and Mr. Wayner Herr, partner of contracted audit firm MHP, LLP, discussed preliminary results from the FY2020 financial audit and spoke to the unique circumstances that have prevented the 2020 audit from being completed on similar timelines to past audits. Herr and Grenfell assured the Board the final audit report will be ready for consideration and approval at the 1Q CY2021 Regular Meeting.

BUSINESS CONTRACT AND LOAN STANDING COMMITTEE

Economic Development Finance Manager Josh Keefe presented the quarterly Challenge Loan report and led the Board on a discussion of the program's history, its value in the WBC's economic development portfolio, and potential programmatic changes to add flexibility and usability in the future.

- **ACTION ITEM:** Motion to accept quarterly challenge loan report by Mr. Kenyon, second by Ms. Thayer, and no discussion. Motion carried unanimously

Keefe then discussed the history of Brownfield Revolving Loan Fund, followed by a presentation of request with the Wyoming Department of Environmental Quality for asbestos abatement at Spring Hill Apartments in Casper from Business Finance Analyst Justin Mabie. Additional commentary on the project was heard from Cindy Martinez with DEQ. The total request is a \$225,000 sub-grant and a \$275,000 loan for a total of \$500,000, including contingency for unforeseen additional asbestos abatement if discovered. The loan will be unsecured at a rate of 1 percent for 20 years, annual payments of \$15,239.21 per year. Staff recommends funding up to \$500,000 with the grant funds to be expended first.

- **ACTION ITEM:** Motion to accept staff recommendations by Ms. DeVore, second by Ms. Tomassi, and no discussion. Motion carried unanimously.

Chief Strategy Officer Sarah Fitz-Gerald presented a proposed amendment to the contract with University of Wyoming for the Business Resource Network representing a reduction in budget. This reduction is in response to overall budget cuts affecting the WBC. The Board heard comments and updates from UW Vice President for Economic Development Dr. Ed Synakowski and Steve Farkas of the College of Business on change of strategy and expansion of collaboration.

- **ACTION ITEM:** Motion to approve amendment to the BRN Contract of work by Ms. DeVore, second by Ms. Johnson, and no discussion. Motion carried unanimously.

COMMUNITY GRANT AND LOAN STANDING COMMITTEE

Committee Chairwoman Erin Moore preview proposed revisions to BRC program rules and continued discussion on the allocation plan and funding model. A detailed review of the proposed rules changes was then led by Investments Division Director Julie Kozlowski and Community Development Manager Noelle Reed. The proposed changes overwhelmingly simplify the rules and add flexibility to projects beyond infrastructure.

- **ACTION ITEM:** Motion to adopt amendments to BRC program rules as presented by staff by Mr. Kenyon, second by Mr. Hoopes, and no discussion. Motion carried unanimously.

Kozlowski then revisited discussion of the BRC allocation plan and funding model from previous meetings, recommending an overall allocation of \$5m per quarter with potential for variances. Future discussions on funding availability will follow this methodology.

BROADBAND ADVISORY COUNCIL UPDATE

COO Amy Grenfell on appointment to BBAC, history of this vacancy and recruitment process. Moore discussed the importance of rural representation in this recruitment, Executive Committee's nomination of Rodney Burget of Aladdin.

- **ACTION ITEM:** Motion to accept Committee recommendations and appoint Rodney Burget to the Broadband Advisory Council by Ms. DeVore, second by Ms. Tomassi, and no discussion. Motion carried unanimously.

Agency Services Manager Warren Appel and Broadband Manager Ryan Kudera presented interim ConnectWyoming status updates as of November 30, including a visual tour of projects. Appel and Kudera spoke about final reporting requirements for vendors and a final program summary to be provided at the Spring 2021 regular meeting.

FIELD OPERATIONS UPDATES

The Board heard updates from Southeast Regional Director and Field Operations Lead Heather Tupper, South Central Regional Director Marcio Paes-Barreto, West Regional Director Elaina Zempel, Northwest Regional Director Amy Quick, East Central Regional Director Kim Rightmer, and Northeast Regional Director Brandi Harlow.

CEO Dorrell offered his acknowledgment and thanks to all regional directors for their work and contributions this past year.

RECOGNITION OF OUTGOING BOARD MEMBERS, CO-CHAIR

CEO Dorrell thanked outgoing members Allen Hoopes and Ron Harvey for their six years of service on the WBC Board, and recognized Mr. Easley as the outgoing 2020 Co-Chair. Board members offered their own thanks and recognition to Mr. Hoopes and Mr. Harvey.

Mr. Easley thanked the board for the opportunity to serve as 2020 Co-Chair and offered his thanks to the board and staff for their hard work and contributions over the past year.

OTHER BOARD MATTERS and ADJOURNMENT

Mr. Easley created a nominating committee for 2021 Board Officers to consist of Ms. Johnson, Mr. Kenyon and Mr. Klein. Nominations will be presented for consideration at the Spring 2021 meeting.

There being no further business before this Board, the meeting adjourned amid wishes of health and happy holidays at 1:31 p.m.

Respectfully Submitted,

Erin Moore, Secretary/Treasurer

Warren R. Appel, Agency Services Manager

ConnectWyoming was created through a \$100M allocation from Governor Mark Gordon, enabling the Wyoming Business Council to coordinate with providers to reach unserved broadband areas across Wyoming.

The **CARES** Act funding received by the Wyoming Business Council will fund projects across the state that create and retain local jobs and result in purposeful outcomes, including distance learning, telehealth public safety, commerce, and overall well-being. This Wyoming Broadband Grant initiative grant program is designed to meet the CARES Act criteria, and to help Wyoming rebound from the COVID- 19 public health emergency.

Providers were notified through public notice of the program on requirements to be an Eligible Applicant, with guidelines for Eligible projects and costs. Guideline documentation further explained the process of ineligible applications, funding terms and limitations along with the application selection process.

The Wyoming Business Council received 81 applications totaling \$174 million. Applications were reviewed by a committee consisting of Rob Creager, Governor Gordon's Economic Development Advisor; Erin Moore, Wyoming Business Council Board of Directors; Lauren Shoenfeld, Wyoming Business Council Broadband Advisory Board Chair; Kristin Lee, Telecom Contractor; and Ryan Kudera, Wyoming Business Council Broadband Manager. Applicants were required to submit a map detailing proposed service areas. The maps submitted were compared to FCC mapping to determine whether an area was currently served and if so at what speeds. If portions of an application were ineligible, applicants were offered the opportunity to revise their application information to be more precise in their proposed coverage areas and eliminate potential overbuild.

While certain applications contained all necessary information for the evaluation team to make an easy funding decision, in some cases, the review team identified projects which did not conform to program guidelines and discovered others which required additional information before a final determination could be made. In several instances, this additional information allowed the WBC to fund the project.

Applications with additional information were reviewed against CARES Act guidelines a second time, with either a Fund or Do Not Fund decision. Final complete applications were presented to the WBC Grant and Loan Committee on August 11, 2020, with project recommendations presented to the WBC Board during a special session on August 14, 2020.

The Wyoming Business Council approved 37 applications for a total funding of \$86,133,229. Contract negotiations were conducted over the following weeks and most contracts were fully executed by September 14, 2020. Providers were eligible for reimbursement as of the date the Board approved their projects.

Six contracts totaling \$33,286,170.33 were declined due to time constraints within the program. Almost all providers cited the difficulties in meeting the 12/30/2020 project deadline.

A final total of 31 projects funded with \$52,847,058 were contracted and began construction across Wyoming - from Park to Goshen counties - broadband providers and their crews began the task of connecting previously unserved citizens and businesses.

Broadband providers were forced to a new way of doing business, as the pandemic raged on across Wyoming. One provider found ways to obtain Right-of-Way agreements from residents completely digitally, streamlining a previously arduous task. Another provider found a lack of competent contractors to complete projects, prompting them to train and certify local workers on how to install fiber optic cable to their neighbors. The downturn in the Oil & Gas industry prompted another provider to look to that industry to provide the workforce necessary to complete broadband projects on time.

There are numerous stories of how Wyoming's broadband providers "Saddled up" to get the job done, while stimulating local economies needed to support getting the work done. It is estimated that over \$3M was directed right back into local economies as providers housed and fed their workers and purchased supplies. Some contractors even purchased trucks and equipment from local dealers during many of the projects across the state. While this was all good news to our citizens and economy, the process was far from easy.

The COVID-19 pandemic, supply chain issues, reliable contractors, weather, permitting created additional opportunities during this time. Weather during the fall and early winter 2020 were very favorable, allowing additional construction time. Delays in the issuance of required permits - particularly at the federal level - persist to this day as a barrier to completion for some projects. The COVID-19 pandemic created the largest disruption, at times removing entire construction crews from service for weeks at a time.

Through all of this, teams installing these projects across the state endured, quite successfully deploying what could be considered the most broadband in the shortest time in the country.

The product of the statewide effort to increase Wyoming's broadband coverage.

Total number of homes passed: 6,987 with up to 100M/10M service
5,434 with fiber service up to 1GIG+

Total number of businesses: 387 with up to 100M/10M service
225 with fiber service with 1GIG+

12,421 Wyoming homes became served
612 Wyoming Businesses became served

Fiber Optic Cable installed: 554.40 total route miles of new fiber installations
222.00 total route miles of Middle Mile Fiber
Installation
332.40 total route miles of Last Mile Fiber
Installation

Wireless Towers Installed: 66 New wireless broadband towers
5 Mixed Use towers including Cellular.
61 new broadband towers – 100' or less

March 2021 WBC Board Meeting | *Regional Director Updates*

While the focus on COVID relief has decreased, the Wyoming Business Council Regional Directors are all getting back to work as “normal” after the first of the year. This includes focusing on strengthening partner and stakeholder relationships, sharing resources, working through project ideas, and meeting with community and business leaders throughout the state. Below is a snapshot of some of the work being done in the field.

Northeast Region: Campbell, Crook, Johnson, Sheridan and Weston (Brandi Harlow)

Northeast Wyoming continues to experience job loss and decline in minerals extraction; however, homes in the region are selling quickly creating a sense of urgency to develop workforce housing in all five counties.

- Campbell County - The International Pathfinder Camporee announced it will host its 2024 International Christian youth gathering at CamPlex in Gillette. The event is expected to bring in 55,000 people to the weeklong event with an estimated \$25 million economic impact. Construction on the Wyoming Technology Innovation Center is expected to start this spring and should be completed by Fall 2021.
- Crook County - Moorcroft interviewed three firms to complete their Community Development Master Plan funded by BRC award. They plan to start the planning process this spring. The Sundance Economic Development Committee is working on options to assist with housing development. And, Discreet Ballistics, a small subsonic ammunition manufacturing company from New Hampshire, is relocating to Sundance. Also, the City of Sundance recently withdrew from the Wyoming Main Street program. They plan to have a Main Street Committee under the Sundance Chamber of Commerce but did not have the volunteer base to continue with the WMS program.
- Johnson County - JOCO First, Johnson County, City of Buffalo, and the Town of Kaycee’s economic development Joint Powers Board continues to own and operate the Bomber Mountain Civic Center. The older section of the building was shutdown to save costs, but the remaining section is leased to small businesses, Sheridan College in Johnson County, and meeting space for public events.
- Sheridan County - The Kennon expansion is on schedule and expected to be completed in June 2021. They plan to host a grand opening in the fall.
- Weston County - The Upton Economic Development Board is working on developing a hotel and additional commercial property near Tiger Transfer Logistics Park.

Northwest Region: Big Horn, Hot Springs, Park and Washakie (Amy Quick)

Since the middle of 2020, regional economic and community development partners in the Big Horn Basin have been meeting monthly. Initially, these meetings were an opportunity to connect and commiserate during the challenges we were all facing. With the new year and the renewed focus on resiliency, we have focused these meetings on a variety of topics to make sure our time together is well spent and valuable. So far, we have hosted CEO Josh Dorrell and other WBC staff to talk about the State Strategic Plan and we will introduce the many new faces and new team structure at the council later this month. Additional subjects of discussion include business retention and expansion/economic vitality

best practices, fostering regional collaboration, workforce and the role of community colleges, broadband, value-added agriculture and local food systems, and more. Housing is another big issue that various communities, including Cody, are trying to address and Forward Cody recently formed an ad hoc committee to investigate the issue.

Other activities throughout the Basin include working with Downtown Redevelopment Services to conduct community evaluations and provide a Development Readiness Initiative report and Revitalization Roadmap in three communities. Basin completed theirs in 2020 and are working on implementing recommendations, and Cody and Shell will begin the process in April with site visits, community surveys, and other on-the-ground assistance. Work continues and will hopefully pick back up on the Community Reviews and Strategic Doing that was conducted or begun in Cody, Greybull, and Shell prior to and during the COVID pandemic.

Outdoor recreation collaboratives continue to build momentum in the area with the Big Horn Basin Outdoor Recreation Collaborative (Big Horn, Hot Springs, and Washakie counties) really starting to see results and a new collaborative in the works for Park County. Value-added agriculture, food systems and meat processing are other initiatives that communities are focused on in 2021. Wyoming Legacy Meats (WLM) and Wyoming Authentic Products, both in Cody, are on good trajectories. WLM is in final design stages for an EDA-funded expansion and should go to bid in late March. The proposed 12,000 sf facility will have capacity to easily process 75 head per day and the company will employ 50 workers at full capacity. At least two other local meat processing facilities are planned in Powell and Ten Sleep, as well.

Project Updates

- Gunwerks - The project was materially completed in July 2020 when the business occupied their new space. As with most new buildings, there have been numerous bugs to work out through the warranty process yet they report a significant increase in weekly gun production and employment.
- Powell Hotel/Convention Center - The Hotelier reengaged with PEP and the City of Powell in January 2021. He is reworking plans for the hotel to better fit the ever-changing way people travel, is optimistic about travel in Wyoming, and is reengaging investors. In 2020, due to COVID and the uncertain future of hotel travel, the project was at a standstill from the hotel side. In 2020, PEP developed programs for local foods, outdoor recreation, and the arts to lay the groundwork for a strong visitor economy for the new hotel. PEP continues to work on those initiatives and a handful of others that will assist frontline businesses and promote Powell.
- Washakie County Library - The project is moving forward at a good pace with limited surprises and change orders. Plans are still on track to move in late summer 2021. A room just down the hall that will be great for board meetings.
- Greybull Business Park – The waterline project was awarded to Copper Creek Construction in mid-February with a start date by April 1. The town signed a contract with Rocky Mountain Power for power expansion and it is paid in full. Expect to start work on bidding process for paving this month with a timeline for the project to be completed in July. To date, three lots are sold in Phase II and there is additional interest from an out-of-state party for three to four acres. Sale is pending on three more lots to an existing business in the first phase of the park, leaving only seven lots unsold in this portion of the park (a group of four and a group of three, so only two more business sites left in Phase I).

Southeast Region: Albany, Carbon, Goshen and Laramie (Heather Tupper)

Economic development activity in the southeast region is picking up. Communities are seeing activity in business expansion and relocation opportunities. Companies are interested in opportunities to take advantage of available space, a skilled workforce, strong infrastructure and a business-friendly environment. Partners in all counties of the region are working hard to help rebuild and strengthen the existing businesses through both financial assistance and training opportunities.

- Goshen Economic Development utilizes its 1/4 cent sales tax to help fund its Progress Program which continues to see high demand from businesses looking to improve their facilities and marketing efforts.
- The Laramie Chamber Business Alliance has recently been awarded EDA funds to increase the lending capacity of their Revolving Loan Fund, offering a lower cost option for businesses needing additional capital. The Laramie County Joint Powers Board will also be seeing an increase in their available funds to boost the capacity of their Revolving Loan Fund to help with county wide economic development initiatives.
- In Carbon County, plans are in the works to host a series of workshops for county employees, officials and business owners to receive training necessary to achieve development of skills, knowledge, abilities and attitudes related to job duties and individual growth for their own business and/or organizations.

The focus across the region is resilience. With economic factors such as sales tax collection holding steady, even having increased over the past 12 months, we are cautiously optimistic of the opportunities that lie ahead.

Western Region: Uinta, Teton, Sublette and Lincoln (Elaina Zempel)

In 1990, the Economic Development District of Lincoln/Uinta counties established a revolving loan fund – the Lincoln-Uinta Revolving Loan Fund (LURLF) – to help eligible businesses create or retain jobs in the area. LURLF is intended to bridge the gap created by shortfalls in conventional financing. The original RLF was capitalized at \$390,000. Since its inception, the revolving loan fund has leveraged over \$12M in financing for the two counties. Brent Hatch, recently elected Uinta County Commissioner, manages the fund.

The current fund now consists of three pools of funds: the original pool which has nine ongoing loans totaling \$400,000. The second pool of funds, \$500,000, was secured in July of 2020 with CARES Act funding. At this time, four loans of \$450,000 are currently advanced leaving only \$50,000 of this pool. Since January of 2020, the LURLF also manages a third pool of funds for LVE, Lower Valley Energy, of approximately \$500,000.

LURLF was able to take advantage of the CARES Act funding which did not require a match from the Economic Development Administration (EDA). LURLF may have an opportunity to further capitalize the fund when unutilized EDA funds are released; however, it is uncertain if a match will be required for those additional funds.

Under LURLF guidelines, a business may borrow up to 100% of the total project costs, not to exceed \$150,000 with a 10-year term. The borrower is required to have at least 10% equity in the project. Eligible expenses include:

- Land and building acquisition
- Building construction and renovation
- Purchase of machinery/equipment

LURLF is an outstanding example of a successful local revolving loan fund.

In other news:

- With most of the properties spoken for in the Union Center Business/Industrial Park, Evanston/Uinta County are exploring development of a property for future commercial expansion.
- Kemmerer continues to work on the EDA diversification/retention study and has recently identified a new industrial park area just west of Kemmerer.
- Big Piney/Marbleton has established a local committee exploring economic and community development projects.

South Central Region: Sweetwater and Fremont Counties – Coverage in these counties are in transition as Marcio Paes-Barreto takes on his new role as Program and Services Innovator and we go through the interview process to hire a new Regional Director to cover Lincoln, Sweetwater and Uinta counties. Elaina Zempel will be covering Fremont, Sublette and Teton in the near future although she has been supporting the entire six-county area along with Marcio the past several months.



Memorandum

To: Wyoming Business Council Board of Directors
From: Justin Mabie
Subject: Challenge Loan Reporting Requirements
Date: March 10, 2021

1. **Past Due Report.** Challenge Loan Policy requires quarterly reporting of all loans 30 days or more past due.
 - There was one past due payment on December 31, 2020:
 - **Weber Ag, LLC** (Economic Disaster Loan – 2017) was originated in July of 2017 as part of the Economic Disaster Loan declaration for the Wyoming Sugar Company. Lender has made multiple attempts in the past months to contact the Borrower to no avail. A demand letter was sent on January 13, 2020. The Borrower had until 5:00pm, February 14, 2020 to respond to the letter. No response was received. The Wyoming AG is in the process of filing a formal complaint against Weber Ag, LLC and Damon Weber. This loan is fully reserved and has a very high likelihood of being charged off (\$484,950.00).
2. **Loan Loss Reserve Analysis.** Challenge Loan Policy requires a review of all loans that are delinquent (over 30 days past due) and a specific reserve will be allocated if the review warrants. There will be an additional unallocated reserve of one-half of one percent of the total portfolio balance.
 - The reserve is adequate with a balance of **\$1,939,149**. The allocation includes a 10% loan loss reserve for the Economic Disaster Loans originated, plus 0.5% of the total loan portfolio. The reserve also includes a full reserve of Weber Ag, LLC (\$484,950.00) and Brett Weber (\$80,913.26).
 - The resulting available fund balance in the Economic Development Fund is **\$5,562,391**.
3. **Charge off balances.**
 - None to report at this time

4. Other News.

- Josh and Jusin are scheduled to attend the 2021 Agricultural Bankers Conference on May 12th & 13th in Saratoga, Wyoming.

Staff Recommendation:

- **Staff recommends acceptance of this report.**

MEMORANDUM

TO: WYOMING BUSINESS COUNCIL BOARD OF DIRECTORS

FROM: JOSH KEEFE, ECONOMIC DEVELOPMENT FINANCE MANAGER

SUBJECT: AMENDMENT TO CONTRACT – MARKEE ESCROW SERVICES

DATE: MARCH 10, 2021

The Wyoming Business Council (WBC) has had a service contract with Markee Escrow Services (Markee) since 2009. The working relationship between Ken Sherman and the WBC has been extraordinary. Ken has many years of experience working in the loan servicing departments of various banks prior to his time at Markee. The contracts have ranged from \$40,000 per year to its current highest level of \$95,000. The level of the contract is variable as it depends on interest income earned from the various loans originated and being serviced in the loan portfolio. Therefore, this contract is not funded by General Funds coming to the WBC.

The reason for the amendment is due to the deferment of payment from DBJJD Enterprises, LLC dba WyoTech in Laramie, WY. Typically, the annual payment from WyoTech is received in June of each year, however, due to the COVID-19 pandemic, the June 2020 payment was deferred to December 31, 2020. This payment was received on time, in full, and for accrued interest through December 30, 2020. This deferment pushed the amount paid to Markee into the next contract year in conjunction with the receipt of Economic Disaster Loan payments from Goshen County, originated in 2020, and the other loans already in the portfolio that must be serviced as well.

The proposed amendment adds \$65,000 to the existing contract of \$95,000; totaling \$160,000 until June 30, 2021. Josh Keefe will begin negotiating the next contract in the April/May 2021 timeframe to take effect July 1, 2021. The addition of the Large Loan program now coming to the WBC in the future, there will be a negotiation of the servicing of those loans as well. The current size of the loan portfolio (as of March 1, 2021) is 97 loans totaling \$16,405,335.37. The proposed amendment is attached for your reference.

Staff recommends acceptance of the amendment to the contract with Markee Escrow Services, increasing the contract amount from \$95,000 to \$160,000. All other duties of the contract will remain the same.

Respectfully submitted,

Josh Keefe, Economic Development Finance Manager

Chapter 1

Large Project Loan Program

Section 1. Authority. These rules are promulgated in accordance with the Wyoming Administrative Procedure Act, Wyoming Statute 16-3-101 through 16-3-115 and the Wyoming Business Council's rule-making authority in W.S. 9-12-308(m).

Section 2. Purpose. These rules are intended to provide detailed procedures by which the applicants for large project loans or loan guarantees shall apply for such loans or loan guarantees.

Section 3. Definitions.

(a) As used in this program:

(i) "Applicant" means a proposed or existing enterprise which will employ people within the state, provide services in the state, use resources in the state and/or otherwise add economic value to goods, services, or resources within the state.

(ii) "Council" means the Wyoming Business Council Board of Directors.

(iii) "Council Staff" means the staff at the Wyoming Business Council.

(iv) "Financial Records" means an applicant's financial statements, balance sheets, income statements, tax returns, or any other financial records deemed necessary for review.

(v) "Land development loan" means an extension of credit for the purpose of improving unimproved real property prior to the erection of structures. The improvement of unimproved real property may include the laying or placement of sewers, water pipes, utility cables, streets, and other infrastructure necessary for future development.

(vi) "Loan Review Committee" means a Committee comprised of the Governor or his designee, the Treasurer or his designee, and a member of the Council who has expertise in banking or experience in the banking industry designated by the Chief Executive Officer of the Wyoming Business Council.

(vii) "Owners" means an individual/entity possessing an interest in the applicant's business, at or more than twenty percent (20%) and/or a guaranteeing entity;

(viii) "Participant" means any Financial Institution(s) sharing a portion

of the loan with the Wyoming Business Council through a participation agreement.

(ix) “Recipient” means a proposed or existing enterprise who has been awarded funds under the Large Project Loan Program.

Section 4. Materials Required for Review.

(a) Project application. Applicants seeking a loan or loan guarantee under this program must submit a project application in compliance with this Section to the Wyoming Business Council staff. This project application must contain the following comprehensive information:

(i) Tab A - A detailed overview of the applicant’s business entity, including identification of all principal management and owners.

(ii) Tab B - A detailed description of the project to be financed, including all costs to be funded and a specific explanation of how the project satisfies the criteria set forth in W.S. 9-12-308(f);

(iii) Tab C - A business plan accurately describing the existing business and its history, future business endeavors, and all characteristics of the project to be funded through the loan or the financing secured by the loan guarantee. The business plan must address, but should not be limited to, the following components:

(A) The total cost of the project, the amount of financing sought and what costs and expenses for the project will be covered by such financing;

(B) The source of applicant’s required private funds, as described in Section 7(h) of this Chapter, to be used in the completion of the project in an amount which is at least twenty-five percent (25%) of the total cost of the project.

(C) The collateral offered to secure the loan or the loan guarantee, including documentation establishing that the collateral is the property of the applicant and is unencumbered with any other financing or an indication that any such financing will be paid off with proceeds from the loan or the financing obtained in connection with the loan guarantee;

(D) The proposed term of financing, including loan amount, term of the loan, amortization, interest rate, and/or private bank participation; and

(E) Any other information reasonably necessary to inform the Wyoming Business Council staff about the project to be financed, the nature of which may vary depending upon the type of business and facilities at issue;

(iv) Tab D - A comprehensive chart and detailed description identifying all business entities related to the applicant, whether by contract or through corporate affiliations;

(v) Tab E - The applicant's financial records for five (5) years or the life of the applicant, whichever is less, including tax returns;

(vi) Tab F - A balance sheet and projected cash flow for the project for the anticipated term of the loan or loan guarantee evidencing the applicant's ability to repay the loan or the financing guaranteed by the loan guarantee on or prior to maturity;

(vii) Tab G - Existing short-term and long-term financing for property associated with the project to be financed through the loan or loan guarantee;

(x) Tab H - Records concerning the environmental compliance with the applicable environmental regulations of facilities and underlying real property associated with the project and completion of an environmental questionnaire provided by the Wyoming Business Council staff with regards to such property which will serve as collateral. If the environmental questionnaire indicates any environmental problems with the property, then further due diligence may be required, such as a Phase 1 and possibly Phase 2 environmental report;

(xi) Tab I - Notice and identification of any threatened or pending litigation involving the anticipated project or property offered as collateral and/or the applicant (or such entity that will be the borrower) and any guarantor as provided in Section 7(j) below;

(xii) Tab J - Industry-specific information and documentation concerning the applicant's business activities within that industry, including without limitation, regulatory information related to the project to be undertaken; and

(xiii) Tab K - Any relevant ongoing or new information that arises any time after applicant's initial submission of the above information which may influence or bear upon the review of the proposed loan or loan guarantee, including without limitation, new or altered financing arrangements, statutory, rule or regulatory changes which may impact applicant's project or operations or the proposal thereof, or changes in ownership.

(b) Additional information. In addition to information in the project application, the Wyoming Business Council staff may ask for additional information necessary for the Wyoming Business Council staff to conduct its due diligence and review of the project. Applicants shall respond to such requests in a timely manner with complete and current information. Any documents, materials or information provided to

the Wyoming Business Council staff in connection with its review of the loan or loan guarantee may be shared with any other State agency, including without limitation, the Governor's Office, the Wyoming State Treasurer's Office, and the Wyoming Attorney General's Office. Applicant shall also provide updated information pertinent to the comprehensive information required in Section 4(a)(i)–(xiii) of this Chapter should any of that information change at any point during the application process.

(c) Collateral. Based on the appraisals and information provided by the applicant for the collateral securing the loan or loan guarantee, the Wyoming Business Council staff shall determine if such collateral is adequate based on the requirements of W.S. 9-12-308. The Wyoming Business Council staff shall secure a first security interest in the entire project which is the subject of the financing and must approve any subsequent financing which is to exist at the time of closing or which applicant enters into after closing of the loan or loan guarantee. If the applicant shows good cause why the applicant cannot grant the State a first security interest in the entire project, then the applicant must propose substitute collateral which the Wyoming Business Council staff deems to be sufficient to repay the loan or loan guarantee in the case of a default and in which the Wyoming Business Council's interest is before the interest of any and all other lenders in such substitute collateral (if such other lenders have been previously approved by the Wyoming Business Council as provided in Section 7(b) of this Chapter).

(d) Value of collateral. Loans or loan guarantees shall be adequately collateralized, such that the Wyoming Business Council staff may obtain appraisals to assess the value of existing facilities, collateral, and other real or personal property used as collateral.

(i) LTV Table

| Loan Category | Loan-to-Value Limit (percent) |
|--|-------------------------------|
| Raw Land | 65 |
| Land Development | 75 |
| Construction | 75 |
| Commercial, Multifamily, and other non-residential | 80 |
| 1- to 4-family residential | 85 |
| Improved Property | 85 |
| Equipment | 80 |

(e) Fee and Experts. The Wyoming Business Council shall charge the applicant a loan origination fee or loan guarantee fee in the amount of one percent (1%) of the total loan or guaranteed loan amount. This fee shall be used to pay for the costs of any experts hired by the Wyoming Business Council staff to aid in conducting the due

diligence of the project, including, without limitation, appraisers, accountants, environmental engineers and attorneys. If the cost of such experts exceeds the amount of the origination or guarantee fee, then the applicant shall pay any such excess costs. Regardless whether the applicant closes on the loan or loan guarantee, the applicant shall pay for, or reimburse the State for, all costs incurred by the Wyoming Business Council to review the project and the loan or loan guarantee and to conduct the due diligence necessary for such review, including, without limitation, the costs of such experts.

Section 5. Program Review and Approval Process; Due Diligence; Closing.

(a) Steps of process. The steps necessary to obtain approval of a loan or loan guarantee under the large project program are as follows:

(i) The applicant shall first submit five (5) copies of the complete project application to the Wyoming Business Council staff, including materials required by the Wyoming Business Council staff in addition to those items described in Section 4(a) of this Chapter for review.

(ii) After receiving an application, the Wyoming Business Council staff shall review the project application to ensure completeness under Section 4(a) of this Chapter. Once Wyoming Business Council staff ascertain that a submitted application is complete, the Wyoming Business Council staff shall deliver one (1) copy each of the project application to the Governor or his designee, to the State Treasurer or his designee and to the Wyoming Attorney General's Office. The remaining two (2) copies shall be retained at the Wyoming Business Council main office.

(iii) Wyoming Business Council staff shall next review the project application under the process set forth in W.S. 9-12-601 through W.S. 9-12-603. Within sixty (60) calendar days of receipt of a complete application the Wyoming Business Council staff and participants (if applicable) shall present the project, the proposed loan or loan guarantee, and its terms to the Loan Review Committee. The Loan Review Committee shall adopt a recommendation and may accept or deny the proposed loan or amend its terms in that recommendation.

(iv) The Wyoming Business Council staff shall provide electronic notice to all Wyoming financial institutions of the recommended loan terms and shall allow not less than fifteen (15) business days to respond with expressions of interest relating to participation. If multiple financial institutions express interest in participating in the proposed loan, council staff shall share proposed terms with the applicant. The applicant shall choose from the provided proposals, and Wyoming Business Council staff shall notify the interested financial institutions of the applicant's choice for participation.

(v) Following the favorable recommendation of the Loan Review Committee, the project shall be submitted to the Wyoming Business Council Board for a vote to accept or reject that recommendation at the next scheduled Board meeting.

(vi) Upon the recommendation by the Wyoming Business Council Board, the Wyoming Business Council shall forward its recommendation to the Wyoming State Loan and Investment Board at the next available meeting for its final approval, or rejection, of the loan or loan guarantee.

(vii) If the Wyoming State Loan and Investment Board grants final approval of the application, the application shall return to the Wyoming Business Council staff to close the loan or loan guarantee in conjunction with participating financial institution(s), if applicable.

(b) Information review. Nothing in these rules shall be interpreted to prevent the Governor or his designee, the State Treasurer or his designee, the Wyoming Business Council, the Loan Review Committee or the Wyoming State Loan and Investment Board from evaluating or reviewing any and all other relevant information when that information is available.

(c) Final agency action is subject to judicial review of administrative action under Wyoming Statute Ann. 16-3-114 and Rule 12 of the Wyoming Rules of Appellate Procedure.

(d) Material change or new information. After the Wyoming State Loan and Investment Board's final approval of the loan or loan guarantee, the Wyoming Business Council staff may request from the applicant any materials or information the Wyoming Business Council staff deems necessary to close the loan or loan guarantee. If, after the Wyoming State Loan and Investment Board's final approval of the loan or loan guarantee, new information is revealed that the Wyoming Business Council staff reasonably determines should have been provided, or the Wyoming Business Council staff determines that previously provided material information is no longer accurate or sufficient, the Wyoming Business Council shall not allow the loan or loan guarantee to proceed to closing, and the applicant shall be required to reapply under Section 5(a) above if the applicant desires to proceed with the loan or loan guarantee.

(e) Attorney General's opinion. No loan or loan guarantee shall be made until Attorney General's Office provides a written opinion certifying the legality of the transaction and all documents connected therewith, including without limitation, the Financing Agreement and the Mortgage or any other document which creates a security interest in the applicant's property in favor of the Wyoming Business Council.

(f) Closing. The applicant is required to close the loan or loan guarantee with

the Wyoming Business Council staff within twelve (12) months of the final approval of the Wyoming State Loan and Investment Board. The applicant may request an extension of the closing deadline in writing and shall demonstrate good cause why the deadline should not apply and why a new deadline should be set. The Wyoming Business Council Board may agree to extend the closing deadline, but in no event shall the Wyoming Business Council provide an extension which would allow the loan or loan guarantee to close more than two (2) years after the final approval of the Wyoming State Loan and Investment Board without resubmitting the request for the loan or the loan guarantee. If greater than two (2) years has passed or would pass between the date of final approval and the closing, the applicant shall resubmit the application for approval.

Section 6. Determination of Eligibility.

(a) Eligible projects and expenses. Eligible projects shall consist of an applicant's prospectively planned and well-defined business endeavor, and the project shall have a set beginning and completion date. A loan or loan guarantee issued pursuant to this Chapter shall not be used to fund past business or past construction expenditures. Expenses eligible for reimbursement from loan proceeds following execution of applicable loan or loan guarantee documents shall relate back no earlier than the submission of the request for the loan or loan guarantee to the Wyoming Business Council staff. Financing issued under this Chapter shall not primarily serve as a refinance mechanism or otherwise serve to substitute the loan or loan guarantee for an applicant's current lenders.

(b) Examples of eligible projects. The following economic development projects, to the extent they otherwise satisfy the criteria set forth in W.S. 9-12-308 and these rules, may be eligible for large project fund financing:

- (i) Manufacturing, fabrication or other industrial production facilities;
- (ii) Agricultural development or food processing;
- (iii) Development of, or improved utilization of, natural resources;
- (iv) Research and development projects that will add economic value to goods, services or resources within or outside the State;
- (v) Destination facilities, other than retail or food service businesses;
- (vi) Product distribution and/or warehousing facilities;
- (vii) Transportation or freight facilities;
- (viii) Scientific testing including, but not limited to, medical, clinical or

engineering testing services;

- (ix) Utilities;
- (x) Facilities associated with the management of waste; and
- (xi) Other activities that represent a new technology or type of economic enterprise.

(c) Large project. All loans and loan guarantees issued under this large project program must meet the requirements of a large project as described in W.S. 9-12-308(b). In addition, for a loan or loan guarantee to be eligible for the large project program, project costs must exceed \$5,000,000. If the character, scope or size of the project changes at any time after its approval by the Wyoming State Loan and Investment Board, the project shall be resubmitted for approval as revised or modified.

(d) Non-disclosed litigation or threats of litigation. A request for a loan or loan guarantee made under this Chapter shall be ineligible if pending litigation or threats of litigation are not disclosed with the project application or immediately thereafter.

(e) Twelve-Month deadline. A submission shall become ineligible for a loan or loan guarantee under this Chapter if the applicant is unable to close, or if the applicant is unable to obtain a written extension from the Wyoming Business Council Board, on all loan or loan guarantee documents with the Wyoming Business Council within the twelve (12) month closing deadline set forth in Section 5(f) of this Chapter.

Section 7. Risk Analysis.

(a) Interest rate. The interest rate for any loan under this program shall be consistent with Wall Street Journal Prime (WSJP) as of the date of the application with a floor of WSJP minus one percent (1%) and a ceiling of WSJP plus seven percent (7%). The interest rate shall be proposed by Wyoming Business Council staff to the loan review committee for approval, and State Land and Investment Board for approval, after considering applicable risk factors and the economic impact of the project.

(b) Subordinate financing. The loan or loan guarantee documents shall require that the State maintain a first priority lien on all collateral, and no collateral securing the loan or loan guarantee may be used to obtain subordinate financing without the written consent of the Wyoming Business Council.

(c) Insurance requirements. Insurance requirements shall vary based on the type of project which is the subject of the loan or loan guarantee but, at a minimum, general liability and property insurance shall be required in amounts and with terms that are acceptable to the Wyoming Business Council staff naming the State as a lien holder.

At the discretion of the Wyoming Business Council staff, other types of insurance may be required based on the type of project being financed and/or the property that serves as collateral for the loan or loan guarantee, such as business interruption, flood, earthquake, or other insurance class as applicable.

(d) Financial covenants. The Wyoming Business Council staff may require that the loan or loan guarantee documents include financial covenants with which the applicant must comply for the term of the loan or loan guarantee. Such covenants may include standards relating to debt service coverage, debt limitations, net worth, leverage, interest coverage or any other financial metrics determined by the Wyoming Business Council staff necessary to ensure the strength and performance of the applicant.

(e) Acceleration upon closure of Wyoming facility or applicant's relocation outside the State. The loan documents may provide that, if the applicant closes the facility or operation that is the subject of the loan or loan guarantee or relocate such facility or operation outside the State of Wyoming prior to maturity of the loan or the applicant's actions indicate that applicant intends to so close or relocate the facility or operation, the outstanding balance of the loan shall be immediately due and payable including all interest accrued to the date of such payment and any and all fees and expenses due and owing. If the State has guaranteed financing pursuant to this Chapter, the guarantee documents shall provide that the guarantee shall terminate immediately and irrevocably as of the decision to close, or relocate the facility or operation or the commencement of any actions indicating a future closure or relocation.

(f) Commencement of project. The loan documents shall require that the applicant commence construction of the project within one (1) year after closing of the loan or loan guarantee. If the applicant fails to commence construction within that time, the outstanding balance of the loan shall become immediately due and payable, including all interest accrued to the date of such payment and any and all fees and expenses due and owing. If the State has guaranteed financing pursuant to this Chapter, the guarantee documents shall provide that the guarantee shall terminate immediately and irrevocably after one (1) year if construction of the project has not commenced.

(g) Other covenants. The Wyoming Business Council staff may include terms in the documents for the loan or loan guarantee to protect the State's interest, such as:

- (i) Escrow accounts;
- (ii) Cash sweeps;
- (iii) Pledge rights;
- (iv) Corporate approval rights;

(v) Acceleration rights for facility closure, failure to meet job creation and tax base requirements and failure to continue to satisfy any requirements necessary to qualify for eligibility for the large project program; and

(vi) Other mechanisms the Wyoming Business Council staff deems appropriate.

(h) Private funds. Prior to closing a loan or loan guarantee, an applicant must certify to the Wyoming Business Council staff that the applicant has committed private funds from funding sources not provided by the state of Wyoming in an amount which is at least twenty-five percent (25%) of the total cost of the project and that such private funds may be spent on eligible project costs which may include, but are not limited to, buildings, equipment, and direct project infrastructure. The Wyoming Business Council staff may require additional information, documentation, escrow of funds, implementation of processes and procedures or any other reasonable materials or terms, to evidence this commitment of private funds.

(j) Guarantees by affiliates. The Wyoming Business Council staff may determine that, upon examination and review of applicant's due diligence materials and the proposed collateral for the loan or loan guarantee, additional collateral in the form of loan guarantees from affiliates of the applicant may be necessary to provide sufficient security to the State for repayment of the loan or loan guarantee.

Section 8. Post-closing.

(a) Subsequent requirements. The Wyoming Business Council staff shall continue to monitor the loan or loan guarantee after the closing. The documents shall contain periodic reporting and compliance requirements that the applicant shall be required to satisfy. Each recipient shall provide to the Wyoming Business Council staff an annual progress report updating the status of the project being financed by the loan or loan guarantee. These reporting and compliance requirements may additionally include, but are not limited to:

- (i) An as-built survey;
- (ii) Notification of other debt(s);
- (iii) Annual financial statements;
- (iv) Copies of tax returns;

(v) A report of the number and types of jobs created due to the project financed under this Chapter;

- (vi) Property valuation of the project for property tax purposes; and
- (vii) Notice of any regulatory violations.

(b) Subsequent disbursements. Loan proceeds will be disbursed only after project expenses have been incurred and/or documented. Each recipient shall provide a disbursement request to Wyoming Business Council staff prior to closing for loan proceeds to be disbursed at closing, and loan proceeds shall be disbursed only for expenses related to the project and incurred and/or documented after the date applicant first submitted the project to the Wyoming Business Council staff for preliminary recommendations. Any loan proceeds which are not disbursed on the day of closing will be held by the Wyoming Business Council until applicant submits a disbursement request and proof of eligible expenses as shall be provided in the loan documents and approved by the Wyoming Business Council staff.

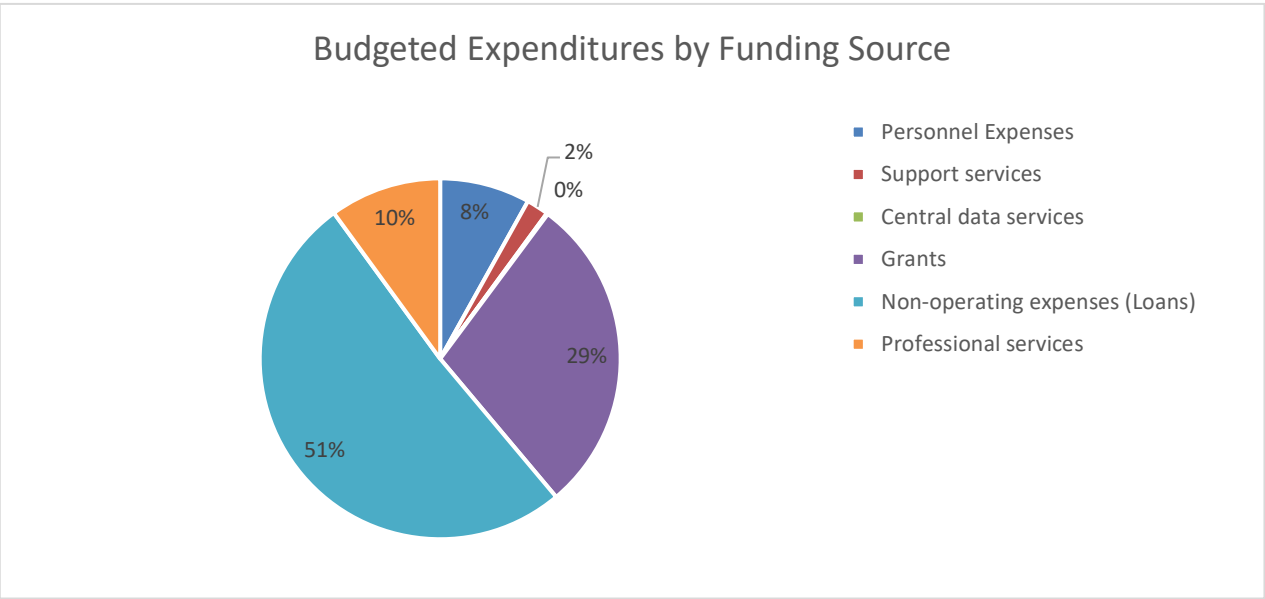
Section 9. Confidentiality. Information and any other documentation submitted in support of a request for a loan or loan guarantee pursuant to the large project program, once submitted to a State agency or official, shall be governed by the Public Records Act, W.S. 16-4-201 through 205, as amended. Upon receipt of a request to disclose an application for a loan or loan guarantee or supporting information, the Wyoming Business Council shall make a determination as to whether the information must be disclosed pursuant to that Act. The Wyoming Business Council, before it makes said determination or discloses an applicant's information, shall inform the applicant of its determination. The applicant may be required to justify to the Wyoming Business Council why information submitted should be withheld under the Act or any other authority. Wyoming Business Council will not disclose said information if disclosure is likely to result in the impairment of the government's future ability to obtain necessary information and/or result in substantial harm to the competitive position of the recipient that provided the information to Wyoming Business Council.

Wyoming Business Council
Quarter Ending December 31, 2020 (2021/2022 Biennium)

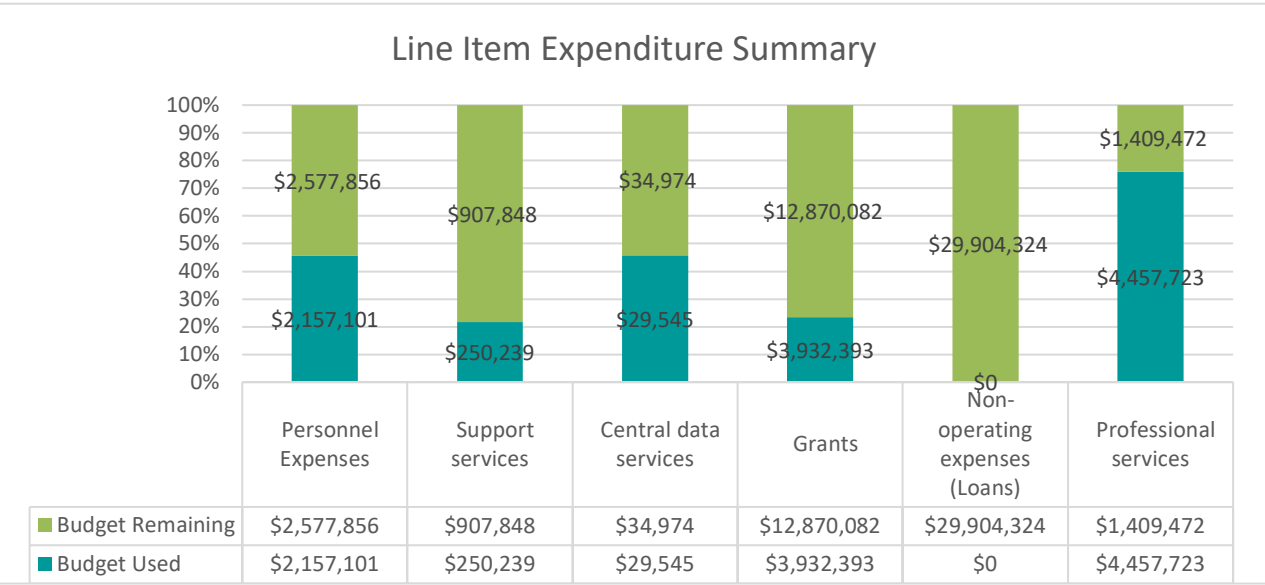
Optimum = 50%

| BUDGET SUMMARY | BUDGET | EXPENDED | ENCUMBERED | BALANCE | % | Avail. Cash Balance | YTD Receipts |
|---|----------------------|----------------------|---------------------|---------------------|---------------|---------------------|--------------|
| Economic Diversification | | | | | | | |
| Investments | \$13,445,772 | \$2,811 | \$1,100,000 | \$12,342,960 | 8.20% | | |
| General (BRC/CDBG) | \$25,000 | \$850 | \$0 | \$24,150 | 3.40% | | |
| Economic Loan | \$10,000 | \$1,961 | \$0 | \$8,039 | 19.61% | | |
| Business Ready Communities (includes MRG) | \$13,410,772 | \$0 | \$1,100,000 | \$12,310,772 | 8.20% | | |
| Services | \$3,445,902 | \$572,520 | \$1,500,600 | \$1,372,782 | 60.16% | | |
| General | \$2,316,310 | \$492,847 | \$1,500,600 | \$322,863 | 86.06% | | |
| Broadband Administration (fund 004) | \$213,692 | \$1,995 | \$0 | \$211,697 | 0.93% | | |
| Entrepreneurship | \$25,000 | \$703 | \$0 | \$24,297 | 2.81% | | |
| Main Street | \$235,000 | \$9,035 | \$0 | \$225,965 | 3.84% | | |
| Markets & Expansion | \$350,900 | \$58,356 | \$0 | \$292,544 | 16.63% | | |
| Recruitment | \$242,500 | \$9,516 | \$0 | \$232,984 | 3.92% | | |
| Rural Development | \$62,500 | \$69 | \$0 | \$62,431 | 0.11% | | |
| Wyoming Business Council | | | | | | | |
| Operations | \$5,166,356 | \$2,140,160 | \$57,792 | \$2,968,404 | 42.54% | | |
| Accounting | \$41,000 | \$0 | \$0 | \$41,000 | 0.00% | | |
| Agency Services | \$390,040 | \$111,988 | \$57,792 | \$220,260 | 43.53% | | |
| Board | \$29,050 | \$379 | \$0 | \$28,671 | 1.30% | | |
| Executive | \$14,250 | \$1,740 | \$0 | \$12,510 | 12.21% | | |
| HR (Non-Payroll) | \$119,250 | \$11,818 | \$0 | \$107,432 | 9.91% | | |
| HR (Payroll) | \$4,343,562 | \$1,969,311 | \$0 | \$2,374,251 | 45.34% | | |
| IT | \$229,205 | \$44,925 | \$0 | \$184,279 | 19.60% | | |
| Regional Directors | \$90,000 | \$3,017 | \$0 | \$86,983 | 3.35% | | |
| Strategy | \$353,786 | \$6,952 | \$173,078 | \$173,756 | 50.89% | | |
| Communications | \$44,000 | \$1,821 | \$0 | \$42,179 | 4.14% | | |
| Strategic Partnerships | \$309,786 | \$5,131 | \$173,078 | \$131,577 | 57.53% | | |
| TOTAL GENERAL FUNDS | \$22,501,816 | \$2,725,461 | \$2,831,470 | \$16,944,884 | 24.70% | | |
| Federal Funds | | | | | | | |
| Brownfield Revolving Loan Program | \$900,000 | \$0 | \$95,000 | \$805,000 | 10.56% | | |
| CDBG Program | \$8,406,991 | \$2,180,031 | \$2,843,372 | \$3,383,587 | 59.75% | | |
| Rural Development Block Grant | \$40,000 | \$20,000 | \$20,000 | \$0 | 100.00% | | |
| Specialty Crop Block Grant | \$21,750 | \$8,450 | \$13,000 | \$300 | 98.62% | | |
| State Trade and Export Program (STEP) | \$145,125 | \$0 | \$0 | \$145,125 | 0.00% | | |
| TOTAL FEDERAL FUNDS | \$9,513,866 | \$2,208,481 | \$2,971,372 | \$4,334,012 | 54.45% | | |
| Agency Funds | | | | | | | |
| Economic Loan Development (fund 039/089)* | \$26,140,876 | \$7,527 | \$50,423 | \$26,082,926 | 0.22% | \$5,562,391 | \$283,837 |
| Wyoming Business Council (fund 085) | \$75,000 | \$6,520 | \$0 | \$68,480 | 8.69% | \$200,777 | \$2,104 |
| Rural Rehabilitation (fund 499) | \$300,000 | \$25,747 | \$0 | \$274,253 | 8.58% | \$4,649,441 | \$28,683 |
| TOTAL AGENCY FUNDS | \$26,515,876 | \$39,794 | \$50,423 | \$26,425,659 | 0.34% | | |
| TOTAL BUDGET | \$58,531,557 | \$4,973,736 | \$5,853,265 | \$47,704,555 | 18.50% | | |
| CARES Act COVID-19 Relief | | | | | | | |
| CARES ACT Agriculture Program | \$35,076,312 | \$35,036,299 | \$0 | \$40,013 | 99.89% | | |
| CARES Act Business Relief Program | \$383,801,521 | \$382,761,742 | \$0 | \$1,039,779 | 99.73% | | |
| CARES Act Connect Wyoming | \$56,455,806 | \$33,942,351 | \$22,513,455 | \$0 | 100.00% | | |
| CARES Act Energy Rebound Program | \$30,000,000 | \$0 | \$30,000,000 | \$0 | 100.00% | | |
| CARES Act Administration Funds | \$1,148,984 | \$342,984 | \$803,000 | \$3,000 | 99.74% | | |
| TOTAL CARES ACT | \$506,482,623 | \$452,083,376 | \$53,316,455 | \$1,082,792 | 99.79% | | |

* \$25 million reserved for Large Loan Fund



| Loan Type | Balance |
|----------------------------|-------------------|
| Economic Disaster | 8,027,378 |
| Bridge | 1,600,504 |
| Amendment IV | - |
| Natural Gas Infrastructure | 204,905 |
| WyoTech | 4,900,000 |
| BRC | 11,838,960 |
| Unallocated Allowance | (84,729) |
| | <u>26,487,018</u> |



To the Board of Directors
Wyoming Business Council
Cheyenne, Wyoming

We are pleased to present this report related to our audit of the basic financial statements 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, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Business Council’s financial and related compliance reporting process.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor’s Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Our Responsibilities with Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated June 5, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated June 5, 2020 regarding the planned scope and timing of our audit and have discussed with you our identification of significant risks of material misstatement.

Accounting Policies and Practices

- *Accounting Policies and Practices:* Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Business Council are described in Note 1 to the financial statements.
- *Adoption of, or Change in, Accounting Policies:* Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Business Council. The Business Council did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.
- *Significant or Unusual Transactions:* We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Following is a description of the methods used to account for a significant or unusual transaction:
 1. As discussed in Note 12 to the financial statements, the Business Council was appropriated \$325 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding from the Wyoming State Legislature for purposes of administering a Business Relief Program. The Business Council elected to establish and maintain a distinct fund to separately and transparently account for the transactions.

- *Management's Judgments and Accounting Estimates:* Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. The Board of Directors may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Business Council's June 30, 2020 basic financial statements.

1. ***Significant Estimate:*** Loan Loss Reserve

- *Accounting Policy:* Loans in the Economic Disaster Loan program are reserved at a minimum of 10%. Specific reserves are also created for any loans on which the collection of principal and interest are not expected.
- *Management's Estimation Process:* The loan loss reserve is continually evaluated by management. The Board of Directors regularly evaluates the reserve and recommends any changes. The Board of Directors also approves any additions to the unallocated reserve, as well as any additions to specific reserves or write-offs.
- *Our Conclusion:* We evaluated the estimation process and noted it appeared reasonable.

2. ***Significant Estimate:*** Pension Liability

- *Accounting Policy:* The liability of the Business Council to employees for defined benefit pensions (net pension liability) measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.
- *Management's Estimation Process:* Use of the Wyoming Retirement System Governmental Accounting Standards Board (GASB) Statement No. 68 Report, and the Business Council's proportionate share of the pension liability.
- *Our Conclusion:* We evaluated the estimation process and noted it appeared reasonable.

3. ***Significant Estimate:*** Other Postemployment Benefits (OPEB) Liability

- *Accounting Policy:* The liability of the Business Council to former employees for postemployment benefits (total OPEB obligation) measured as the portion of the present value of projected benefit payments to be provided through the OPEB plan to former employees that is attributed to those employees' past periods of service (total OPEB liability).
- *Management's Estimation Process:* Use of the State of Wyoming Employee Group Insurance Retiree Health Plan Actuarial Valuation Report and the Business Council's proportionate share of the total OPEB liability.
- *Our Conclusion:* We evaluated the estimation process and noted it appeared reasonable.

- *Financial Statement Disclosures:* Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Business Council's financial statements relate to:

1. The disclosure of loans receivable in Note 3.
2. The disclosure of the net pension liability in Note 6.
3. The disclosure of the total OPEB liability in Note 7.

The financial statement disclosures are neutral, consistent, and clear.

Audit Adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Uncorrected Misstatements

Uncorrected misstatements are included in the attached representation letter within the *Summary of Uncorrected Misstatements*.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultation with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

We generally discuss a variety of matters with management each year, including the application of accounting principles and auditing standards and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Business Council's auditors.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit; but did encounter difficulties due to the late release of audit guidance for CARES Act Federal programs (December 24, 2020) from the Federal OMB.

Significant Written Communications Between Management and Our Firm

A copy of the audit representation letter between our Firm and the management of the Business Council is attached to this letter.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Wyoming Business Council.

McLee, Hearne & Paig, LLP

Cheyenne, Wyoming
February 25, 2021

February 25, 2021

McGee, Hearne & Paiz, LLP
P.O. Box 1088
Cheyenne, Wyoming 82003

This representation letter is provided in connection with your audit of the basic financial statements 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, 2020 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 5, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with the primary government having accountability for the Business Council, the component unit for which the Business Council is accountable, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known, actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We acknowledge our responsibility for the selection and application of accounting policies. In that regard, all accounting policies used by us during the year are deemed appropriate.

9. We believe that the actuarial assumptions and methods in the Wyoming Retirement System's Report used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
10. We believe that the actuarial assumptions and methods in the State of Wyoming Employee report used to measure OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
11. Net position classifications have been properly recorded and disclosed within the basic financial statements.
12. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
13. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have informed you of all uncorrected misstatements. The uncorrected misstatements are included in the *Summary of Uncorrected Misstatements* attached as Appendix A.

Information Provided

15. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the Business Council from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All transactions have been recorded in the accounting records and are reflected in the financial statements.
17. It is our responsibility to establish and maintain internal controls over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
18. We have no knowledge of allegations of fraud or suspected fraud affecting the Business Council's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
19. We have no knowledge of any allegations of fraud or suspected fraud affecting the Business Council's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.

20. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
21. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.
22. We have disclosed to you the identity of the Business Council's related parties and all the related-party relationships and transactions of which we are aware.
23. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Business Council's ability to record, process, summarize, and report financial data.
24. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
25. We are responsible for appointing the Wyoming Economic & Workforce Development, Inc. Board of Directors.
26. We believe that the information obtained from the audited financial statements of and other participant information provided by the Wyoming Retirement System (the "Plan") is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the Plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan or its auditor.
27. We believe that the information obtained from the State of Wyoming Employee Group Insurance Retiree Health Plan (the "Plan") actuarial valuation report is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the Plan or their actuary in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan or its actuary.
28. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

29. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no significant assumptions or interpretations regarding the measurement or presentation of such information.
 - e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

30. With respect to Management's Discussion and Analysis, Budgetary Comparison Statements, Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures for the General Fund, Economic Development Fund, Rural Rehabilitation Fund, and COVID Fund, Schedule of the Business Council's Proportionate Share of the Net Pension Liability, Schedule of the Business Council's Contributions, Schedule of the Business Council's Proportionate Share of the Total OPEB Liability, and the Notes to Required Supplementary Information presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no significant assumptions or interpretations regarding the measurement or presentation of such information.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

- 31. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
- 32. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the Business Council.
- 33. Has identified and disclosed to the auditor that there were no instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, or any other instances that warrant the attention of those charged with governance.
- 34. Has identified and disclosed to the auditor that there were no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
- 35. Has identified and disclosed to the auditor that there were no instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
- 36. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 37. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
- 38. Has identified for the auditor all previous audits, attestation engagements and other studies related to the audit objectives.

39. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor as described in the arrangement letter, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of Federal awards conducted in accordance with Subpart F 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), we confirm:

40. Management is responsible for complying, and has complied, with the requirements of the Uniform Guidance.
41. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its Federal programs.
42. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for Federal programs that provides reasonable assurance that the Business Council is managing Federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on its Federal programs.
43. Management is responsible for the preparation of the Schedule of Expenditures of Federal Awards, acknowledges and understands its responsibility for the presentation of the Schedule of Expenditures of Federal Awards in accordance with the Uniform Guidance; believes the Schedule of Expenditures of Federal Awards including its form and content, is fairly presented in accordance with the Uniform Guidance; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes has been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the Schedule of Expenditures of Federal Awards.
44. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.
45. Management has identified and disclosed to the auditor the requirements of Federal statutes, regulations, and the terms and conditions of Federal awards that are considered to have a direct and material effect on each major program.
46. Management has made available all Federal awards (including amendments, if any) and any other correspondence relevant to Federal programs and related activities that have taken place with Federal agencies or pass-through entities.
47. Management has identified and disclosed to the auditor that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of Federal awards.
48. Management believes that the Business Council has complied with the direct and material compliance requirements.
49. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to Federal program financial reports and claims for advances and reimbursements.

50. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
51. Management has disclosed to the auditor all communications from Federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
52. Management has disclosed to the auditor all findings received or related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
53. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by Federal awarding agencies and pass-through entities, including all management decisions.
54. Management is not aware of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
55. Management is not aware of any known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
56. Management is not aware of any changes in internal control over compliance or other factors that might significantly affect internal control, that have occurred subsequent to the period covered by the auditor's report.
57. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
58. The copies of Federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the Federal agency or pass-through entity, as applicable.
59. Management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
60. Management has issued management decisions for audit findings that relate to Federal awards it makes to subrecipients and that such management decisions are issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, management has followed up to ensure that the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews and other means that pertain to the Federal award provided to the subrecipient from the pass-through entity.
61. Management has considered the results of subrecipient monitoring and audits, and has made any necessary adjustments to the Business Council's own books and records.
62. Management has charged costs to Federal awards in accordance with applicable cost principles.
63. The reporting package does not contain protected personally identifiable information.

- 64. Management has accurately completed the appropriate sections of the data collection form.
- 65. Management has disclosed all contracts or other agreements with service organizations.

WYOMING BUSINESS COUNCIL

Lyndsay Orr
Accounting Manager

Amy Grenfell
Chief Operating Officer

APPENDIX A

WYOMING BUSINESS COUNCIL

Summary of Uncorrected Misstatements As of and For the Year Ended June 30, 2020

We believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

| | Increase (Decrease) Assets | (Increase) Decrease | | | Increase (Decrease) Expenses |
|---|----------------------------------|---------------------|--------------|-----------|------------------------------------|
| | | Liabilities | Net Position | Revenue | |
| <i>Carryover Impact from Previous Years:</i> | | | | | |
| To account for unrecorded Federal receivables | \$ - | \$ - | \$ (39,856) | \$ 39,856 | \$ - |

WYOMING BUSINESS COUNCIL
A COMPONENT UNIT OF THE
STATE OF WYOMING
FINANCIAL AND COMPLIANCE REPORT
JUNE 30, 2020

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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, 2020, 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, 2020, 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 and Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures for the General Fund, Economic Development Fund, Rural Rehabilitation Fund, and COVID Fund on pages 36 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 opinions 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 February 25, 2021 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.

McLee, Hearne & Paig, LLP

Cheyenne, Wyoming
February 25, 2021

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, 2020 and 2019.

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, 2020 by \$59.3 million, an increase of \$3.7 million from the previous year.

Governmental Fund Financial Statements:

- As of June 30, 2020, the Business Council's governmental funds reported combined fund balances of \$65.6 million, an increase of \$4.1 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 9 through 11.

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 12 through 15.

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 16 through 35.

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 36 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 46 and 47.

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 \$59.3 million, which represents an investment of \$60,175 in capital assets, \$54.5 million in restricted net position (economic development, rural rehabilitation, and residential relending), and \$4.7 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 \$3.7 million during the current fiscal year, which is due to an increase in loans receivable in the business-ready communities program, and investment income received during the fiscal year.

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

STATEMENT OF NET POSITION CONDENSED

| | 2020 | 2019 |
|---------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Current assets | \$ 69,438,317 | \$ 45,866,859 |
| Noncurrent assets: | | |
| Loans receivable | 24,048,916 | 19,108,082 |
| Capital assets | 108,828 | 140,759 |
| Total assets | \$ 93,596,061 | \$ 65,115,700 |
| DEFERRED OUTFLOWS OF RESOURCES | \$ 1,527,130 | \$ 1,545,039 |
| LIABILITIES | | |
| Current liabilities | \$ 27,985,976 | \$ 3,580,444 |
| Noncurrent liabilities | 6,292,097 | 6,683,314 |
| Total liabilities | \$ 34,278,073 | \$ 10,263,758 |
| DEFERRED INFLOWS OF RESOURCES | \$ 1,554,570 | \$ 812,526 |
| NET POSITION | | |
| Net investment in capital assets | \$ 60,175 | \$ 79,807 |
| Restricted for economic development | 48,417,649 | 46,501,373 |
| Restricted for rural rehabilitation | 4,809,082 | 4,645,155 |
| Restricted for residential relending | 1,287,260 | 1,419,288 |
| Unrestricted | 4,716,382 | 2,938,832 |
| Total net position | \$ 59,290,548 | \$ 55,584,455 |

Statement of Activities

Net position increased by \$3.7 million during the current fiscal year from the effect of revenues and expenses relating to investment income in the Economic Development Fund.

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

STATEMENT OF ACTIVITIES CONDENSED

| | 2020 | 2019 |
|-------------------------------|----------------------|----------------------|
| REVENUES | | |
| Program revenues | \$ 68,445,568 | \$ 2,219,642 |
| General revenues | 23,019,468 | 25,201,347 |
| Total revenues | 91,465,036 | 27,420,989 |
| EXPENSES | | |
| Administration | 2,537,715 | 2,021,539 |
| Business development | 70,058,645 | 5,012,620 |
| Regional offices | 873,284 | 988,083 |
| Community development | 14,289,299 | 21,318,044 |
| Total expenses | 87,758,943 | 29,340,286 |
| Change in net position | 3,706,093 | (1,919,297) |
| Net position beginning | 55,584,455 | 57,503,752 |
| Net position ending | \$ 59,290,548 | \$ 55,584,455 |

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The Business Council's activities are reflected in its general, economic development, rural rehabilitation, COVID, 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, 2020, the Business Council's governmental funds reported combined ending fund balances of \$65.6 million, an increase of \$4.1 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 \$10.8 million, which is unavailable for current use (nonspendable or restricted) because it is associated with a long-term receivable (loans receivable). The General Fund increased by \$2.2 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 \$1.9 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 remaining funds increased by \$13,253.

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

| | 2020 | | 2019 | | Increase (Decrease) | |
|---------------------------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|
| | Amount | % of Total | Amount | % of Total | Amount | % |
| REVENUES | | | | | | |
| Revenue from primary government | \$ 85,691,538 | 93.69% | \$ 23,103,393 | 84.25% | \$ 62,588,145 | 270.90% |
| Federal revenue | 2,920,566 | 3.19% | 2,163,210 | 7.89% | 757,356 | 35.01% |
| Investment income, net | 2,589,838 | 2.83% | 1,904,179 | 6.94% | 685,659 | 36.01% |
| Revenue from others | 184,903 | 0.20% | 193,775 | 0.71% | (8,872) | -4.58% |
| Charges for sales and services | 78,189 | 0.09% | 56,432 | 0.21% | 21,757 | 38.55% |
| Total revenues | \$ 91,465,034 | 100.00% | \$ 27,420,989 | 100.00% | \$ 64,044,045 | 233.56% |
| EXPENDITURES | | | | | | |
| Administration | \$ 2,365,079 | 2.71% | \$ 1,900,334 | 6.56% | \$ 464,745 | 24.46% |
| Business development | 69,986,774 | 80.10% | 4,939,768 | 17.05% | 65,047,006 | 1316.80% |
| Regional offices | 814,804 | 0.93% | 915,371 | 3.16% | (100,567) | -10.99% |
| Community development | 14,212,434 | 16.27% | 21,214,927 | 73.23% | (7,002,493) | -33.01% |
| Total expenditures | \$ 87,379,091 | 100.00% | \$ 28,970,400 | 100.00% | \$ 58,408,691 | 201.62% |

Revenues for governmental activities were \$91.5 million for fiscal year 2020, an increase of 233.56% from the previous year. Revenues from primary government increased \$62.6 million, primarily due to the receipt of \$65.4 million as a subrecipient of the State's Coronavirus Aid, Relief, & Economic Security (CARES) Act grant. Revenues from investment income increased \$686 thousand 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 \$87 million for the current fiscal year, an increase of 201.62% from fiscal year 2019. This increase is primarily due to the disbursement of \$65.4 million in business relief stipends as part of the Business Council's Business Relief Program.

CAPITAL ASSETS ACTIVITY

The Business Council's investment in capital assets for its governmental activities as of June 30, 2020 amounted to \$108,828 net of accumulated depreciation of \$748,478. 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 \$48,653. The \$31,931 decrease in net capital assets from the previous year is due to \$31,931 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.

SCHEDULE OF CAPITAL ASSETS
(net of depreciation)

| | 2020 | 2019 |
|-----------------------------------|-------------------|-------------------|
| Building | \$ 28,291 | \$ 30,059 |
| Lease improvements | 504 | 1,321 |
| Capitalized leases - equipment | 47,415 | 60,408 |
| Furniture, fixtures and equipment | 10,569 | 12,981 |
| Intangible assets | 22,049 | 35,990 |
| Total | \$ 108,828 | \$ 140,759 |

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. In addition, the COVID Fund budget was established in conjunction with the special appropriation received from the Wyoming State Legislature.

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic significantly impacted economic conditions in the United States as Federal, state, and local governments reacted to the public health crisis. In addition, the State of Wyoming experienced decreased revenues as a result of the decline in mineral prices and production. In response to revenue declines, the Governor announced two rounds of state-wide budget reductions for the upcoming 2021 biennium. In August 2020, the Business Council's first round of budget reductions were implemented with a 10% reduction to the Business Council's 2021/2022 general fund biennium budget.

FINANCIAL IMPACTS

In response to the decline in Wyoming commodities in previous years, former Governor Mead 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 Business Council to expand international trade efforts and to improve broadband services across the state.

In May of 2020, the Business Council received an appropriation of \$325 million from the Wyoming Legislature to the Business Council's COVID fund for the purpose of providing relief to businesses that were impacted by the COVID-19 pandemic via a multi-phase Business Relief Program (the "Program"). The Program was launched in June 2020, and through the end of the fiscal year, \$65.4 million was distributed. Since the end of the fiscal year, the Business Council was awarded an additional \$221.5 million for additional COVID assistance programs including ConnectWyoming for state broadband assistance, an agriculture producer relief program, and the Energy Rebound Program for oil and gas assistance.

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, 2020

ASSETS

Current Assets

| | |
|-------------------------------|---------------|
| Deposits with State Treasurer | \$ 64,275,253 |
| Deposits in bank | 3,120 |
| Accounts receivable | 1,876,295 |
| Interest receivable | 541,975 |
| Due from primary government | 17,307 |
| Due from Federal government | 887,601 |
| Loans receivable, net | 1,836,766 |

Total current assets

69,438,317

Noncurrent Assets

| | |
|--|------------|
| Loans receivable, net | 24,048,916 |
| Capital assets, net of accumulated depreciation: | |
| Buildings | 28,291 |
| Leasehold improvements | 504 |
| Capitalized leases - equipment | 47,415 |
| Furniture, fixtures, and equipment | 10,569 |
| Intangibles | 22,049 |

Total noncurrent assets

24,157,744

Total assets

93,596,061

DEFERRED OUTFLOWS OF RESOURCES

| | |
|---|-----------|
| Pension-Related Outflows | 296,332 |
| OPEB-Related Outflows | 1,230,798 |
| Total deferred outflows of resources | 1,527,130 |

Continued

WYOMING BUSINESS COUNCIL

STATEMENT OF NET POSITION, *Continued*
JUNE 30, 2020

LIABILITIES

| | |
|-------------------------------------|-------------------|
| Current Liabilities | |
| Accounts payable | \$ 26,955,746 |
| Due to primary government | 933,420 |
| Compensated absences payable | 84,107 |
| Capital leases payable | 12,703 |
| Total current liabilities | <u>27,985,976</u> |
| Noncurrent Liabilities | |
| Capital leases payable | 35,950 |
| Net pension liability | 3,464,009 |
| Total OPEB liability | 2,792,138 |
| Total noncurrent liabilities | <u>6,292,097</u> |
| Total liabilities | <u>34,278,073</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|--|------------------|
| Pension-Related Inflows | 840,143 |
| OPEB-Related Inflows | 714,427 |
| Total deferred inflows of resources | <u>1,554,570</u> |

NET POSITION

| | |
|--------------------------------------|----------------------|
| Net investment in capital assets | 60,175 |
| Restricted for economic development | 48,417,649 |
| Restricted for rural rehabilitation | 4,809,082 |
| Restricted for residential relending | 1,287,260 |
| Unrestricted | 4,716,382 |
| Total net position | <u>\$ 59,290,548</u> |

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

| Functions/Programs | Expenses | Program Revenues | | Net (Expenses) Revenue and Changes in Net Position |
|---------------------------------------|----------------------|--------------------------------------|--|---|
| | | Charges for Sales and Services | Operating Grants and Contributions | Total Governmental Activities |
| Governmental Activities | | | | |
| Administration | \$ 2,537,715 | \$ 14,007 | \$ - | \$ (2,523,708) |
| Business development | 70,058,645 | 64,182 | 65,455,583 | (4,538,880) |
| Regional offices | 873,284 | - | - | (873,284) |
| Community development | 14,289,299 | - | 2,911,796 | (11,377,503) |
| Total | \$ 87,758,943 | \$ 78,189 | \$ 68,367,379 | (19,313,375) |
| General Revenues | | | | |
| Appropriation from primary government | | | | 20,244,725 |
| Investment income, net | | | | 2,589,838 |
| Other | | | | 184,905 |
| Total general revenues | | | | 23,019,468 |
| Change in net position | | | | 3,706,093 |
| Net Position, beginning | | | | 55,584,455 |
| Net Position, ending | | | | \$ 59,290,548 |

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | General Fund | Economic Development Fund | Rural Rehabilitation Fund | COVID Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------------------|---------------------------------|----------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Deposits with State Treasurer | \$ 3,159,631 | \$ 32,747,414 | \$ 4,874,467 | \$ 22,351,319 | \$ 1,142,422 | \$ 64,275,253 |
| Deposits in bank | 3,120 | - | - | - | - | 3,120 |
| Accounts receivable | - | 1,722,384 | 124,948 | - | 28,963 | 1,876,295 |
| Interest receivable | 29,876 | 492,436 | 16,227 | - | 3,436 | 541,975 |
| Due from primary government | 17,307 | - | - | - | - | 17,307 |
| Due from other funds | 37,588 | - | - | - | - | 37,588 |
| Due from Federal government | 887,601 | - | - | - | - | 887,601 |
| Loans receivable, net | 10,784,448 | 14,690,275 | - | - | 410,959 | 25,885,682 |
| Total assets | \$ 14,919,571 | \$ 49,652,509 | \$ 5,015,642 | \$ 22,351,319 | \$ 1,585,780 | \$ 93,524,821 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 3,158,830 | \$ 1,234,860 | \$ 206,560 | \$ 22,312,820 | \$ 42,676 | \$ 26,955,746 |
| Due to primary government | 921,810 | - | - | 911 | 10,699 | 933,420 |
| Due to other funds | - | - | - | 37,588 | - | 37,588 |
| Compensated absences payable | 801 | - | - | - | - | 801 |
| Total liabilities | 4,081,441 | 1,234,860 | 206,560 | 22,351,319 | 53,375 | 27,927,555 |
| Fund Balances | | | | | | |
| Nonspendable: | | | | | | |
| Loans receivable and other | 10,784,448 | 14,690,275 | - | - | 410,959 | 25,885,682 |
| Restricted | 53,682 | - | 4,809,082 | - | 876,301 | 5,739,065 |
| Committed | - | 33,727,374 | - | - | - | 33,727,374 |
| Assigned | - | - | - | - | 245,145 | 245,145 |
| Total fund balances | 10,838,130 | 48,417,649 | 4,809,082 | - | 1,532,405 | 65,597,266 |
| Total liabilities and fund balances | \$ 14,919,571 | \$ 49,652,509 | \$ 5,015,642 | \$ 22,351,319 | \$ 1,585,780 | \$ 93,524,821 |

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**RECONCILIATION OF THE
GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

| | |
|---|---------------|
| Total fund balances - governmental funds | \$ 65,597,266 |
|---|---------------|

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:

| | |
|---|-----------|
| Buildings | 43,900 |
| Leasehold improvements | 16,199 |
| Capitalized leases, net of related capital leases payable | 16,311 |
| Furniture, fixtures, and equipment | 296,617 |
| Intangibles | 435,626 |
| Accumulated depreciation | (748,478) |

| | |
|--|--------|
| Total capital assets, net of capital leases payable | 60,175 |
|--|--------|

| | |
|---|-----------|
| Deferred outflows of resources that are not available for the current period expenditures and are not reported in the governmental funds: | 1,527,130 |
|---|-----------|

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 | (83,306) |
| Net pension liability | (3,464,009) |
| Total OPEB liability | (2,792,138) |
| Deferred inflows of resources | (1,554,570) |

| | |
|--|-------------|
| Total liabilities and deferred inflows of resources | (7,894,023) |
|--|-------------|

| | |
|--|---------------|
| Net position of governmental activities | \$ 59,290,548 |
|--|---------------|

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

| | General Fund | Economic Development Fund | Rural Rehabilitation Fund | COVID Fund | Other Governmental Funds | Total Governmental Funds |
|--|-------------------|---------------------------------|---------------------------------|-------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Revenue from primary government | \$ 20,244,726 | \$ - | \$ - | \$ 65,446,812 | \$ - | \$ 85,691,538 |
| Federal revenue | 2,920,566 | - | - | - | - | 2,920,566 |
| Interest income | 68,942 | 1,338,445 | 125,524 | - | 11,412 | 1,544,323 |
| Net increase (decrease) in the fair value of investments | - | 884,878 | 131,432 | - | 29,205 | 1,045,515 |
| Revenue from others | 184,903 | - | - | - | - | 184,903 |
| Charges for sales and services | 64,489 | 13,700 | - | - | - | 78,189 |
| Total revenues | 23,483,626 | 2,237,023 | 256,956 | 65,446,812 | 40,617 | 91,465,034 |
| EXPENDITURES | | | | | | |
| Administration | 2,348,025 | - | - | - | 17,054 | 2,365,079 |
| Business development | 4,126,186 | 320,747 | 93,029 | 65,446,812 | - | 69,986,774 |
| Regional offices | 814,804 | - | - | - | - | 814,804 |
| Community development | 14,053,428 | - | - | - | 159,006 | 14,212,434 |
| Total expenditures | 21,342,443 | 320,747 | 93,029 | 65,446,812 | 176,060 | 87,379,091 |
| Excess (deficiency) of revenues over expenditures | 2,141,183 | 1,916,276 | 163,927 | - | (135,443) | 4,085,943 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 29,238 | - | - | - | 14,007 | 43,245 |
| Transfers out | (14,007) | - | - | - | (29,238) | (43,245) |
| Total other financing sources (uses) | 15,231 | - | - | - | (15,231) | - |
| Net change in fund balances | 2,156,414 | 1,916,276 | 163,927 | - | (150,674) | 4,085,943 |
| Fund balances, beginning | 8,681,716 | 46,501,373 | 4,645,155 | - | 1,683,079 | 61,511,323 |
| Fund balances, ending | \$ 10,838,130 | \$ 48,417,649 | \$ 4,809,082 | \$ - | \$ 1,532,405 | \$ 65,597,266 |

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, 2020**

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | \$ 4,085,943 |
|---|---------------------|

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 | (31,931) |
|----------------------|----------|

Principal payments on capital lease obligations is an expenditures in governmental funds, but the repayment is a reduction of long-term liabilities in the Statement of Net Position

12,299

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 | 21,221 | |
| Other post employment expense, net of amortization | (251,275) | |
| Change in defined benefit net pension liability and pension-related inflows and outflows | <u>(130,164)</u> | <u>(360,218)</u> |

Change in net position of governmental activities

\$ 3,706,093

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. During the fiscal year ended June 30, 2020 the WEWD was dissolved by the Business Council.

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.

COVID Fund – used to account for the operations of the Business Relief Fund program that is administered in accordance with the terms set by the Wyoming State Legislature. Revenues consist solely of pass-through Federal funding authorized by the CARES Act.

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.

The COVID Fund of the Business Council primarily operates out of a special appropriation from the Wyoming State Legislature. Cash is available from this special appropriation to fund expenditures as they are incurred by the Business Council for the Business Relief Fund. As such, the cash balance within the COVID 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 and the COVID 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:

| | <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, 2020 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, 2020.

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 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.

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, 2020 are presented as follows:

| Investment Type: | Fair Value | Percentage |
|--------------------------|---------------|------------|
| Fixed income investments | \$ 64,275,253 | 100.00% |

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.

Detailed information regarding the State of Wyoming's investment pool is reported in the State of Wyoming's Comprehensive Annual Financial Report, available on the State Auditor's website: <http://sao.wyo.gov/publications>.

Note 3. LOANS RECEIVABLE

Interest rates on loans vary from 0.0% to 5.75% and have varying maturity dates through 2039; collateral includes personal guarantees, mortgages on real estate, and liens on receivables, inventory, furniture, equipment, and crops. At June 30, 2020, loans receivable included outstanding loans to two major loan customers totaling \$7,794,434, which comprised approximately 27.92% of gross loans receivable as of that date. No loans were charged off during the year ended June 30, 2020. Loans receivable as of June 30, 2020 are as follows:

| | Loan Type | Gross Balance | Allowance | Net Balance |
|---------------------------|----------------------------|---------------|--------------|---------------|
| ARRA Revolving Loan Fund | Residential Relending | \$ 410,959 | \$ - | \$ 410,959 |
| General Fund | Business Ready Community | 10,784,448 | - | 10,784,448 |
| Economic Development Fund | Amendment IV | 217,796 | 203,000 | 14,796 |
| Economic Development Fund | Challenge | 8,216 | 8,216 | - |
| Economic Development Fund | Economic Disaster | 10,126,810 | 1,633,522 | 8,493,288 |
| Economic Development Fund | Bridge | 1,156,604 | 85,658 | 1,070,946 |
| Economic Development Fund | Natural Gas Infrastructure | 211,245 | - | 211,245 |
| Economic Development Fund | Other | 5,000,000 | 100,000 | 4,900,000 |
| | | \$ 27,916,078 | \$ 2,030,396 | \$ 25,885,682 |

Note 4. CAPITAL ASSETS

Capital asset activity in the government-wide financial statements for the year ended June 30, 2020 was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|--------------------|-------------|-------------------|
| Capital assets being depreciated: | | | | |
| Buildings | \$ 43,900 | \$ - | \$ - | \$ 43,900 |
| Leasehold improvements | 16,199 | - | - | 16,199 |
| Capitalized leases - equipment | 64,964 | - | - | 64,964 |
| Furniture, fixtures, and equipment | 296,617 | - | - | 296,617 |
| Intangible assets | 435,626 | - | - | 435,626 |
| Total capital assets being depreciated | 857,306 | - | - | 857,306 |
| Less accumulated depreciation: | | | | |
| Buildings | (13,841) | (1,768) | - | (15,609) |
| Leasehold improvements | (14,878) | (817) | - | (15,695) |
| Capitalized leases - equipment | (4,556) | (12,993) | - | (17,549) |
| Furniture, fixtures, and equipment | (283,636) | (2,412) | - | (286,048) |
| Intangible assets | (399,636) | (13,941) | - | (413,577) |
| Total accumulated depreciation | (716,547) | (31,931) | - | (748,478) |
| Capital assets, net | <u>\$ 140,759</u> | <u>\$ (31,931)</u> | <u>\$ -</u> | <u>\$ 108,828</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|-----------------------|------------------|
| Administration | \$ 14,475 |
| Business development | 5,109 |
| Regional offices | 5,109 |
| Community development | 7,238 |
| | <u>\$ 31,931</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 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, 2020 was \$206,862. Future minimum lease payments for operating leases are as follows:

| | |
|------------------------|-------------------|
| Year Ending June 30, | |
| 2021 | \$ 176,359 |
| 2022 | 164,624 |
| Total minimum payments | <u>\$ 340,983</u> |

Capital leases – The gross amount of assets recorded under capital leases as of June 30, 2020 was \$64,964 with accumulated depreciation of \$17,549. During the year ended June 30, 2020, principal payments of \$12,299 were paid. Future minimum lease payments for capital leases are as follows:

| | |
|---------------------------------|------------------|
| Year Ending June 30, | |
| 2021 | \$ 14,089 |
| 2022 | 14,089 |
| 2023 | 14,089 |
| 2024 | 9,394 |
| | <u>51,661</u> |
| Less: interest | <u>(3,008)</u> |
| Present value of lease payments | <u>\$ 48,653</u> |

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, 2020, member contributions were required to be 8.75% of compensation and employer contributions were required to be 8.87% of compensation. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the Business Council has elected to pay 5.57% of the member’s contribution effective July 1, 2019, in addition to the employer’s contribution. Total member and employer contributions to the pension plan from the Business Council were \$373,947, \$377,330, and \$381,458 for the years ended June 30, 2020, 2019, and 2018, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2020, the Business Council reported a liability of \$3,464,009 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. 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, 2019 to the contributions of all participating employers for the same period. At December 31, 2019, the Business Council’s proportion was 0.1474092413%, which was a decrease from its December 31, 2018 proportion of 0.152708301%.

For the year ended June 30, 2020, the Business Council recognized pension expense of \$362,165. At June 30, 2020, 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 | \$ - | \$ 72,237 |
| Net difference between projected and actual earnings on pension plan investments | - | 522,094 |
| Changes in proportionate share of contributions | 44,108 | 245,812 |
| Contributions subsequent to measurement date | 116,761 | - |
| Changes in assumptions | 135,463 | - |
| | <u>\$ 296,332</u> | <u>\$ 840,143</u> |

An amount of \$116,761 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, 2021. 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, | |
| 2021 | \$ (135,065) |
| 2022 | (249,471) |
| 2023 | (45,091) |
| 2024 | (230,945) |
| | <u>\$ (660,572)</u> |

Actuarial assumptions – The total pension liability in the January 1, 2019 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:

| | |
|---------------------------|--|
| Inflation | 2.25% |
| Salary increases | 2.50% – 6.50%, including inflation |
| Payroll growth rate | 2.50% |
| Investment rate of return | 7.00%, net of pension plan investment expense, including inflation |

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. Each major asset class is included in the pension plan’s target asset allocation for fiscal year 2019. These best estimates are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Geometric Real Rate of Return | Long-Term Expected Arithmetic Real Rate of Return |
|-------------------------|-------------------|--|---|
| Cash | 2.00% | -0.20% | -0.20% |
| Fixed income | 21.00% | 1.32% | 1.67% |
| Equity | 48.50% | 5.54% | 7.42% |
| Marketable alternatives | 19.00% | 3.46% | 4.33% |
| Private real assets | 9.50% | 4.46% | 5.58% |
| | <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, 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:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|---------------------|-------------------------------|---------------------|
| Proportionate share of the net pension liability | <u>\$ 5,233,532</u> | <u>\$ 3,464,009</u> | <u>\$ 1,987,178</u> |

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)
COMMITMENT**

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, 2020, the Business Council reported a liability of \$2,792,138 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2020. 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, 2020, the Business Council’s proportion was 0.29515%, which was an increase from its June 30, 2019 proportion of 0.19464%.

For the year ended June 30, 2020, the Business Council recognized OPEB expense of \$251,275. At June 30, 2020, the Business Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 537,056 | \$ 384,944 |
| Changes of assumptions | 21,608 | 329,483 |
| Change in proportionate share of expected payments | 672,134 | - |
| | <u>\$ 1,230,798</u> | <u>\$ 714,427</u> |

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:

| | |
|---------------------|-------------------|
| Year ended June 30, | |
| 2021 | \$ 59,522 |
| 2022 | 59,522 |
| 2023 | 59,522 |
| 2024 | 59,522 |
| 2025 | 59,522 |
| Thereafter | 218,761 |
| | <u>\$ 516,371</u> |

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|---|
| Measurement Date | July 1, 2019 (based on July 1, 2019 census data) |
| Inflation | 2.50% |
| Salary Increases | 2.50% - 6.50% |
| Mortality Rates | <p>Pre-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017</p> <p>Post-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017</p> <p>Disabled: RP-2014 Combined, 100% male, 100% female, generational projection using MP-2017</p> |
| Healthcare Cost Trend Rates | <p>Non-Medicare: 7.20%, decreasing annually until reaching the ultimate trend rate of 4.50%</p> <p>Medicare: 7.60%, decreasing annually until reaching the ultimate trend rate of 4.50%</p> |
| 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.

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 3.51%, which represents a decrease from the discount rate of 3.87% utilized for the June 30, 2018 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 3.51%, 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 (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate:

| | 1% Decrease (2.51%) | Current Discount Rate (3.51%) | 1% Increase (4.51%) |
|---|---------------------------|--|---------------------------|
| Proportionate share of the collective total OPEB liability | <u>\$ 3,399,169</u> | <u>\$ 2,792,138</u> | <u>\$ 2,324,352</u> |

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:

| | 1% Decrease | Current Healthcare Cost Trend Rates | 1% Increase |
|---|---------------------|--|---------------------|
| Non-Medicare | 6.20% | 7.20% | 8.20% |
| Medicare | 6.60% | 7.60% | 8.60% |
| Proportionate share of the collective total OPEB liability | <u>\$ 2,343,860</u> | <u>\$ 2,792,138</u> | <u>\$ 3,395,768</u> |

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, 2020, 2019, and 2018 totaled \$7,976, \$8,492, and \$8,427, 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, 2020.

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, 2020, the Business Council contributed up to \$982, \$1,493, \$1,960 and \$2,245 (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, 2020 were \$769,979.

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, 2020, the Business Council's contributions to the Workers' Compensation Fund were \$35,419.

Unemployment compensation – The Business Council does not carry unemployment insurance but pays the cost of actual claims incurred. In August 2020, the Business Council paid \$13,208 in unemployment claims for the year ended June 30, 2020. The balance was accrued in the General Fund accounts payable balance.

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, 2020 were \$123,780.

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, 2020 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, Natural Resource Energy Explore program, and the Center for Business & Economic Analysis. Total amounts expended to UW for the year ended June 30, 2020 were \$2,511,901, of which \$502,764 is included in accounts payable as of June 30, 2020. The Business Council is committed for amounts remaining under these agreements in the amount of \$107,240 as of June 30, 2020.

The Business Council, together with the Wyoming Department of Environmental Quality (DEQ), operates 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. No funds are to be paid to either party as a result of the memorandum.

During the fiscal year, the Business Council entered into two memorandums of understanding with the Wyoming Infrastructure Authority (the "Authority") for the Business Council to provide Federal Energy Program Funds to the Authority 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 the energy programs across the state of Wyoming, including the Business Council's State Energy Office, to the Authority, effective July 1, 2020. The total amount paid to the Authority for the year ended June 30, 2020 was \$82,270.

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, 2020 totaled \$7,746,434. 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 \$32,767,349 as of June 30, 2020. 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, 2020.

| | |
|---------------------------|---------------|
| General Fund | \$ 33,310,950 |
| Economic Development Fund | \$ 750,201 |
| Rural Rehabilitation | \$ 49,178 |

Note 12. COVID-19 PANDEMIC AND SUBSEQUENT EVENT

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic significantly impacted economic conditions in the United States as Federal, state, and local governments reacted to the public health crisis. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided \$1.25 billion to the State of Wyoming for COVID relief. In May 2020, the Wyoming State Legislature held a special session to address the State’s response and appropriated the Business Council \$325 million of the CARES Act funding to aid small businesses across the State via a Business Relief Program. Total grants awarded under the Business Council’s Business Relief Program as of June 30, 2020 was \$65,446,812. Subsequent to June 30, 2020, the Business Council was awarded \$221.5 million for additional COVID assistance programs including ConnectWyoming for state broadband assistance, an agriculture producer relief program, and the Energy Rebound Program for oil and gas assistance.

Note 13. SUBSEQUENT EVENTS

The Business Council has entered into various agreements subsequent to June 30, 2020, 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 \$3,618,612. These agreements will be funded by a combination of State appropriations and Federal revenues.

The Business Council distributed \$421,917 after June 30, 2020 out of the Economic Development fund for loans, all of which was approved but undistributed as of June 30, 2020. The Business Council distributed \$1,325,635 from the Business Ready Communities Loan Program, which was approved but undistributed as of June 30, 2020. Subsequent to June 30, 2020, one loan totaling \$1,109,607 was approved under the provisions of the Business-Ready Communities Grant and Loan program. This loan will be distributed out of State appropriations.

On July 1, 2020, the State Energy Office, which was housed within the Business Council, was transferred to the Wyoming Energy Authority pursuant to 2019 Session Laws Chapter 0034. With this transfer, the Wyoming Energy Authority took over the ARRA Revolving Loan program, and the State Energy Program federal award from the Federal Department of Energy. This will decrease the Business Council's net position by \$1.3 million.

REQUIRED SUPPLEMENTARY INFORMATION

WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON STATEMENTS

GENERAL FUND

YEAR ENDED JUNE 30, 2020

| General Fund | | | | | | |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------------------|-------------------------------|
| | Budgeted Amounts | | | | Total Actual and Encumbrances | Variance with Final Budget |
| | Original | Final | Actual | Encumbrances | | |
| REVENUES | | | | | | |
| Revenue from primary government | \$ 28,322,446 | \$ 59,355,589 | \$ 17,531,331 | \$ - | \$ 17,531,331 | \$ (41,824,258) |
| Federal revenue | 3,112,380 | 7,352,136 | 1,341,819 | - | 1,341,819 | (6,010,317) |
| Investment income | - | - | 83,023 | - | 83,023 | 83,023 |
| Revenue from others | - | - | 1,535,142 | - | 1,535,142 | 1,535,142 |
| Charges for sales and services | 303,614 | 303,614 | 72,330 | - | 72,330 | (231,284) |
| Total revenues | 31,738,440 | 67,011,339 | 20,563,645 | - | 20,563,645 | (46,447,694) |
| EXPENDITURES | | | | | | |
| Administration | 5,534,573 | 6,265,876 | 4,849,671 | 603,164 | 5,452,835 | 813,041 |
| Business Development | 3,109,868 | 3,947,683 | 3,118,405 | 807,774 | 3,926,179 | 21,504 |
| Community Development | 3,714,614 | 8,056,796 | 1,747,767 | 1,420,207 | 3,167,974 | 4,888,822 |
| Regional offices | 85,360 | 109,281 | 77,325 | - | 77,325 | 31,956 |
| Investment-ready communities | 19,294,025 | 48,631,703 | 10,770,477 | 30,287,812 | 41,058,289 | 7,573,414 |
| Total expenditures | 31,738,440 | 67,011,339 | 20,563,645 | 33,118,957 | 53,682,602 | 13,328,737 |
| Excess (deficiency) of revenues over expenditures | \$ - | \$ - | \$ - | \$ (33,118,957) | \$ (33,118,957) | \$ (33,118,957) |

Continued

See Notes to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON STATEMENTS, *Continued*
ECONOMIC DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2020

| 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 | 490,876 | 490,876 | 342,882 | - | 342,882 | (147,994) |
| Revenue from others | 3,935,300 | 7,935,300 | 458,556 | - | 458,556 | (7,476,744) |
| Charges for sales and services | - | - | 17,025 | - | 17,025 | 17,025 |
| Total revenues | 4,426,176 | 8,426,176 | 818,463 | - | 818,463 | (7,607,713) |
| EXPENDITURES | | | | | | |
| Administration | - | - | - | - | - | - |
| Business Development | 4,426,176 | 8,426,176 | 5,057,447 | 750,201 | 5,807,648 | 2,618,528 |
| Community Development | - | - | - | - | - | - |
| Regional offices | - | - | - | - | - | - |
| Investment-ready communities | - | - | - | - | - | - |
| Total expenditures | 4,426,176 | 8,426,176 | 5,057,447 | 750,201 | 5,807,648 | 2,618,528 |
| Excess (deficiency) of revenues over expenditures | \$ - | \$ - | \$ (4,238,984) | \$ (750,201) | \$ (4,989,185) | \$ (4,989,185) |

Continued

See Notes to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON STATEMENTS, *Continued*
RURAL REHABILITATION FUND
YEAR ENDED JUNE 30, 2020

| 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 | 173,209 | 173,209 | 79,262 | - | 79,262 | (93,947) |
| Revenue from others | - | - | - | - | - | - |
| Charges for sales and services | - | - | - | - | - | - |
| Total revenues | 173,209 | 173,209 | 79,262 | - | 79,262 | (93,947) |
| EXPENDITURES | | | | | | |
| Administration | - | - | - | - | - | - |
| Business Development | - | - | - | - | - | - |
| Community Development | 173,209 | 173,209 | 85,579 | 59,858 | 145,437 | 27,772 |
| Regional offices | - | - | - | - | - | - |
| Investment-ready communities | - | - | - | - | - | - |
| Total expenditures | 173,209 | 173,209 | 85,579 | 59,858 | 145,437 | 27,772 |
| Excess (deficiency) of revenues over expenditures | \$ - | \$ - | \$ (6,317) | \$ (59,858) | \$ (66,175) | \$ (66,175) |

Continued

See Notes to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON STATEMENTS, *Continued*

COVID FUND

YEAR ENDED JUNE 30, 2020

| COVID Fund | | | | | | |
|--|------------------|----------------|---------------|--------------|-------------------------------------|-------------------------------|
| | Budgeted Amounts | | Actual | Encumbrances | Total Actual and Encumbrances | Variance with Final Budget |
| | Original | Final | | | | |
| REVENUES | | | | | | |
| Revenue from primary government | \$ - | \$ 100,000,000 | \$ 43,095,493 | \$ - | \$ 43,095,493 | \$ (56,904,507) |
| Federal revenue | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - |
| Revenue from others | - | - | - | - | - | - |
| Charges for sales and services | - | - | - | - | - | - |
| Total revenues | - | 100,000,000 | 43,095,493 | - | 43,095,493 | (56,904,507) |
| EXPENDITURES | | | | | | |
| Administration | - | - | - | - | - | - |
| Business Development | - | 100,000,000 | 43,095,493 | - | 43,095,493 | 56,904,507 |
| Community Development | - | - | - | - | - | - |
| Regional offices | - | - | - | - | - | - |
| Investment-ready communities | - | - | - | - | - | - |
| Total expenditures | - | 100,000,000 | 43,095,493 | - | 43,095,493 | 56,904,507 |
| Excess (deficiency) of revenues over expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

See Notes to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

**EXPLANATION OF DIFFERENCES BETWEEN
BUDGETARY INFLOWS AND OUTFLOWS AND
GAAP REVENUES AND EXPENDITURES
GENERAL FUND, ECONOMIC DEVELOPMENT FUND,
RURAL REHABILITATION FUND, AND COVID FUND
YEAR ENDED JUNE 30, 2020**

| | General Fund | Economic Development Fund | Rural Rehabilitation Fund | COVID Fund |
|--|-----------------|---------------------------------|---------------------------------|---------------|
| Sources/inflows of resources: | | | | |
| Actual amounts "available for appropriation" from the Budgetary Comparison Schedules | \$ 20,563,645 | \$ 818,463 | \$ 79,262 | \$ 43,095,493 |
| Differences in accrual basis revenues and cash basis budgetary amounts | 2,919,981 | 1,418,560 | 177,694 | 22,351,319 |
| Total revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances | \$ 23,483,626 | \$ 2,237,023 | \$ 256,956 | \$ 65,446,812 |
| Uses/outflows of resources: | | | | |
| Actual amounts "charged to appropriations" from the Budgetary Comparison Schedules | \$ 53,682,602 | \$ 5,807,648 | \$ 145,437 | \$ 43,095,493 |
| Differences in accrual basis expenditures and cash basis budgetary amounts | (65,459,116) | (6,237,102) | (112,266) | 22,351,319 |
| Encumbrances | 33,118,957 | 750,201 | 59,858 | - |
| Total expenditures reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances | \$ 21,342,443 | \$ 320,747 | \$ 93,029 | \$ 65,446,812 |

See Notes to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

**SCHEDULE OF THE BUSINESS COUNCIL'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employee Pension Plan
Last Seven (7) 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 | 0.1780020440% | \$ 2,706,344 | \$ 3,071,787 | 88.10% | 81.10% |
| 2015 | 0.1756957922% | 3,100,490 | 3,105,431 | 99.84% | 79.08% |
| 2016 | 0.1672581167% | 3,896,023 | 2,993,370 | 130.16% | 73.40% |
| 2017 | 0.1571502750% | 3,799,108 | 3,045,573 | 124.74% | 73.42% |
| 2018 | 0.1635561589% | 3,728,002 | 2,878,864 | 129.50% | 76.35% |
| 2019 | 0.1527083007% | 4,650,412 | 2,657,878 | 174.97% | 69.17% |
| 2020 | 0.1474092413% | 3,464,009 | 2,623,742 | 132.03% | 76.83% |

** 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 Seven (7) Fiscal Years***

| | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|------|---|---|--|--------------------|---|
| 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% |
| 2018 | 229,039 | 229,039 | - | 2,736,429 | 8.37% |
| 2019 | 228,792 | 228,792 | - | 2,666,725 | 8.58% |
| 2020 | 229,703 | 229,703 | - | 2,589,661 | 8.87% |

** 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 Three (3) Fiscal Years*

| | Business Council's proportion of the total OPEB liability | Business Council's proportionate share of the total OPEB liability | Business Council's covered payroll | Business Council's proportionate share of the total OPEB liability as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total OPEB liability |
|------|--|---|---|--|---|
| 2018 | 0.21917% | \$ 1,733,616 | N/A | N/A | 0.00% |
| 2019 | 0.19464% | \$ 1,984,249 | N/A | N/A | 0.00% |
| 2020 | 0.29515% | \$ 2,792,138 | N/A | N/A | 0.00% |

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

See Notes to Required Supplementary Information.

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, the Rural Rehabilitation Fund, and COVID Fund for the year ended June 30, 2020.

Note 3. PENSION PLAN

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2018 measurement date and the December 31, 2019 measurement date.

Changes in assumptions: There were no changes in assumptions between the December 31, 2018 measurement date and the December 31, 2019 measurement date. There were economic and demographic changes and assumptions between the December 31, 2016 measurement date and the December 31, 2017 measurement date which are still being amortized.

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, 2019 measurement date to the June 30, 2020 measurement date.

- Discount rate changed from 3.87% to 3.51%.
- Updated healthcare claims costs based on recent experience.
- An increase in retiree contributions between 2019 and 2020.
- Health care trend rates were changed from 7.60% to 7.20% for non-Medicare and 8.10% to 7.60% for Medicare.

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, 2020**

| | Business Ready Communities Fund | Wyoming Business Council Fund | Economic and Workforce Development Fund | ARRA Revolving Loan Fund | Total |
|---|--|-------------------------------------|--|--------------------------------|---------------------|
| ASSETS | | | | | |
| Deposits with State Treasurer | \$ - | \$ 258,127 | \$ - | \$ 884,295 | \$ 1,142,422 |
| Accounts receivable | - | 6,588 | - | 22,375 | 28,963 |
| Loans receivable | - | - | - | 410,959 | 410,959 |
| Interest receivable | - | 837 | - | 2,599 | 3,436 |
| Total assets | \$ - | \$ 265,552 | \$ - | \$ 1,320,228 | \$ 1,585,780 |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 9,708 | \$ - | \$ 32,968 | \$ 42,676 |
| Due to primary government | - | 10,699 | - | - | 10,699 |
| Total liabilities | - | 20,407 | - | 32,968 | 53,375 |
| Fund Balance | | | | | |
| Nonspendable: | | | | | |
| Loans receivable and other | - | - | - | 410,959 | 410,959 |
| Restricted | - | - | - | 876,301 | 876,301 |
| Assigned | - | 245,145 | - | - | 245,145 |
| Total fund balance | - | 245,145 | - | 1,287,260 | 1,532,405 |
| Total liabilities and fund balance | \$ - | \$ 265,552 | \$ - | \$ 1,320,228 | \$ 1,585,780 |

WYOMING BUSINESS COUNCIL

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

| | Business Ready Communities Fund | Wyoming Business Council Fund | Economic and Workforce Development Fund | ARRA Revolving Loan Fund | Total |
|--|--|-------------------------------------|--|--------------------------------|--------------|
| REVENUES | | | | | |
| Interest income | \$ - | \$ 6,679 | \$ 2 | \$ 4,731 | \$ 11,412 |
| Net increase (decrease) in the fair market value of investments | 1 | 6,957 | - | 22,247 | 29,205 |
| Total revenues | 1 | 13,636 | 2 | 26,978 | 40,617 |
| EXPENDITURES | | | | | |
| Administration | - | 17,054 | - | - | 17,054 |
| Business Development | - | - | - | - | - |
| Community Development | - | - | - | 159,006 | 159,006 |
| Total expenditures | - | 17,054 | - | 159,006 | 176,060 |
| Excess (deficiency) of revenues over expenditures | 1 | (3,418) | 2 | (132,028) | (135,443) |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | - | 14,007 | - | - | 14,007 |
| Transfers out | - | - | (29,238) | - | (29,238) |
| Total other financing sources | - | 14,007 | (29,238) | - | (15,231) |
| Net change in fund balances | 1 | 10,589 | (29,236) | (132,028) | (150,674) |
| Fund balances, beginning | (1) | 234,556 | 29,236 | 1,419,288 | 1,683,079 |
| Fund balances, ending | \$ - | \$ 245,145 | \$ - | \$ 1,287,260 | \$ 1,532,405 |

WYOMING BUSINESS COUNCIL

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Total Federal Expenditures | Passed Through to Subrecipients |
|--|---------------------------|---|----------------------------------|---------------------------------------|
| <u>DIRECT FUNDING:</u> | | | | |
| U.S. Department of Housing and Urban Development Community Development Block Grant Program | 14.228 | N/A | \$ 2,551,012 | \$ 2,467,703 |
| <i>Total U.S. Department of Housing and Urban Development</i> | | | <u>2,551,012</u> | <u>2,467,703</u> |
| U.S. Small Business Administration State Trade Expansion Program | 59.061 | N/A | 22,820 | 16,716 |
| <i>Total U.S. Small Business Administration</i> | | | <u>22,820</u> | <u>16,716</u> |
| U.S. Department of Energy State Energy Program | 81.041 | N/A | 275,693 | 216,552 |
| <i>Total U.S. Department of Energy</i> | | | <u>275,693</u> | <u>216,552</u> |
| U.S. Department of Agriculture Specialty Crop Block Grant Program - Farm Bill | 10.170 | N/A | 4,225 | - |
| <i>Total U.S. Department of Agriculture</i> | | | <u>4,225</u> | <u>-</u> |
| <u>PASS THROUGH FUNDING:</u> | | | | |
| U.S. Department of Treasury Passed through the State of Wyoming COVID-19 Coronavirus Relief Fund | 21.019 | N/A | 43,134,138 | - |
| <i>Total U.S. Department of Treasury</i> | | | <u>43,134,138</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 45,987,888</u></u> | <u><u>\$ 2,700,971</u></u> |

See 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 \$2,700,971 of Federal funds to subrecipients.

Note 2. De Minimis Cost Rate

The Business Council did not elect to use the 10% 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, 2020. 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, 2020, 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 February 25, 2021.

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) as a basis for designing 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 financial statements. 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

February 25, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH 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 Each 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 each of the Business Council's major Federal programs for the year ended June 30, 2020. The Business Council's major Federal programs are 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 for each of the Business Council's major Federal programs 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 each major Federal program. However, our audit does not provide a legal determination of the Business Council's compliance.

Opinion on Each 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 each of its major Federal programs for the year ended June 30, 2020.

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 each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
February 25, 2021

I. 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 programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major Federal programs: 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 programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 14.228 | Community Development Block Grant |
| 21.019 | Coronavirus Relief Fund |

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

II. FINANCIAL STATEMENT FINDINGS

None.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

There were no findings for the year ended June 30, 2019.

Personnel Report

February 17, 2021

Farewells:

Michelle Shellhart

| |
|---|
| Total Positions: 36 |
| Filled Positions: 33 |
| Vacancies |
| Regional Director (Uinta, Sweetwater and Lincoln counties) |
| Agency Services Coordinator |
| Development Finance Consultant – Currently re-evaluating position |

Talent Development Strategy

Training budgets may be tight and opportunities to travel for development opportunities may be limited, but those realities won't disrupt our path toward becoming a high performing organization through learning and change.

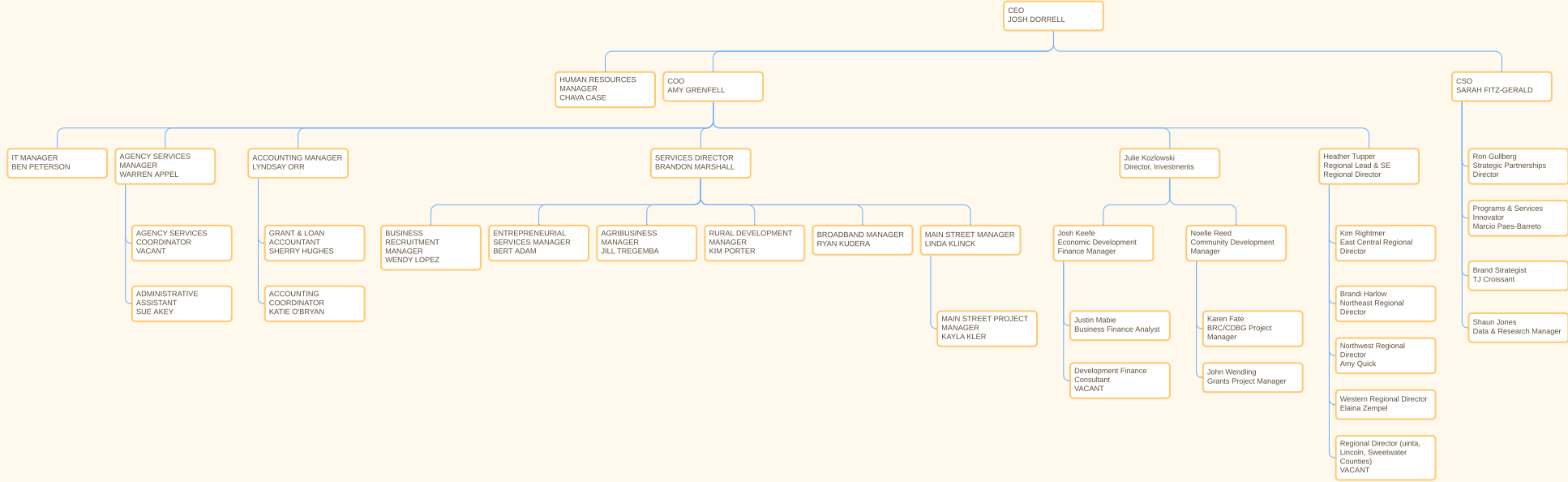
Our initial step toward personal and professional growth is an enrichment program that we've launched alongside the Wyoming Office of Tourism. The program, named The Enlightenment Series, is a sequence of group learning sessions aimed at discovering and mastering leadership principles and concepts.

As a team of inspired leaders, we have learned that happiness fuels success by enabling our brains to be more creative, energized, and motivated. From this foundation, we are continuing our leadership journey as we work to develop clarity around our purpose as individuals. After defining our own purpose, we will then talk about the virtues of an ideal team player: hungry, humble, and smart.

The Enlightenment Series was set in motion in January. So far, positive results have been observed. For example, during group brainstorming sessions, team leaders will use a positive mindset technique to encourage creativity from the group. And on the individual level, one might observe the WBC team making happiness a work ethic through the power of choice.

Enlightenment Series

- January: The Happiness Advantage – Shawn Achor
- February: The Purpose Pyramid – Josh Dorell
- March: The Ideal Team Player – Patrick Lencioni



| BRC Applications Received December 1, 2020 | | | | |
|--|-----------------------------------|------------------------------------|----------------------|----------------------|
| Applicant | Project | Type | Request | Staff Recommendation |
| Lander, City of | Maven Headquarters Grant | Business Committed | \$ 3,000,000 | \$ 3,000,000 |
| Lander, City of | Maven Headquarters Loan | Business Committed | \$ 2,705,392 | \$ 2,705,392 |
| Laramie County | Vmaccel | Managed Data Center Cost Reduction | \$ 2,250,000 | \$ 2,250,000 |
| Southwest Wyoming Regional Airport JPB | Commercial Terminal Modernization | Community Readiness | \$ 3,000,000 | \$ 3,000,000 |
| Total Requests | | | \$ 10,955,392 | \$ 10,955,392 |
| Total Available BRC Funds | | | | \$ 45,915,299 |
| Funds remaining if awarded | | | | \$ 34,959,907 |

Q3 Allocation Target pending April 1, 2021 SLIB

| BRC Project Types | Priorities | % of Allocation | Allocation Available |
|--|------------|-----------------|----------------------|
| Business Committed & Managed Data Ctr Cost | High | 45% | \$ 4,132,377 |
| Community Development | Medium | 54% | \$ 4,958,852 |
| Planning | Low | 1% | \$ 91,831 |
| | | | \$ 9,183,060 |

City of Lander
Maven Headquarters

Business Committed Application

\$3,000,000 Grant Request

\$2,705,392 Loan Request

\$633,933 Match

\$6,339,325 Total Project Costs

Project Description

The City of Lander requests a \$3 million grant and \$2.7 million loan combination from the Business Ready Community Grant and Loan Program (BRC) to construct a 22,500 square-foot facility on 1.54 acres of property. The site lends itself to further expansion, as it is adjacent to the Central Wyoming College – Lander campus and the Lander Economic Development Association's (LEDA) Enterprise Park.



The proposed facility will be comprised of 4,000 square-feet for offices and meeting space, 1,500 square-feet for retail/display space, 9,500 square-feet for storage, 4,000 square feet for shipping/receiving, and 3,500 square-feet for production/assembly.

The current owner of the site will install utilities as a term of the sale to Maven. If the BRC funding is approved, Maven will transfer the property to LEDA and lease it back from LEDA with the option to purchase at the end of 5 years.

Community and Economic Benefits

This project has several economic benefits for the community. These include:

- Expansion opportunities for Maven
- Creation of 23 additional jobs by the end of 2027
- Community readiness aspect in the expansion of the Enterprise Park and utilities
- The project will also bring awareness to the newly formed LEDA and its economic development endeavors in the community.

Since 2017, LEDA has held a lease with the State on 3.5 acres with right of first refusal for 17 more acres to lease from the State, in Lander. The goal for this land has been to attract commercial and light manufacturing companies. Up to this point, the Enterprise Park has had only one tenant, Union Wireless, who requires no infrastructure. As such, the location and lease arrangement has not produced much activity for the Park and has made it difficult to attract businesses to that location. The utilities discussed above will be placed through the lot line between the proposed site and the Enterprise Park, making the area more attractive to businesses looking to expand and/or relocate.

Finally, this public-private partnership provides an opportunity for the City of Lander and LEDA to grow their community and economic development. While Fremont County recently passed a ½ cent economic development tax, those funds will not start to be collected until July 2021 and cannot be pre-reserved for projects. However, the financial gains for LEDA as part of the Revenue Recapture Plan will provide startup capital to leverage those tax dollars for further development in the community.

Strategic Value Proposition

This project aligns with the Wyoming Strategic Plan in the following ways:

- Increase access to domestic and international export markets for core industries.
 - Maven sells sport-optics. As a direct-to-consumer business, primary sales come from their eCommerce website. Currently 90% of the company's revenue is derived from outside the State of Wyoming, and 15% from international sources.
- Use Wyoming's advantages in tourism and outdoor recreation to attract workforce.
 - The tourism and outdoor industry are 25% of Lander's economy, and a large part of the community's culture.
- Encourage development of new technology to create new expansion opportunities.
 - Maven has grown its product line since their inception. However, at this point any additional expansion is physically limited. Expansion will enable in-house technology and manufacturing capabilities of highly technical products, including a new line of range finders.

This project fulfills Wyoming's Economic development goal by providing new opportunities for its citizens.

The Business

Headquartered in Lander, Maven was established in 2013 by partners Brendon Weaver, Cade Maestas, and Mike Lilygren. Together, with 15 years of experience, the three launched a sports optics company that sells directly to customers. Since their launch, Maven has had an annualized growth rate of +40%. They are at capacity at their current location and need a new facility in to continue growing.

Currently 90% of Maven's revenue is generated outside of Wyoming, with sales in all 50 states and 23 countries in 2020. Fifteen percent (15%) of their sales are international and by collaborating with partners in Australia, Saudi Arabia, Japan, and Italy, brand awareness in these countries continues to increase. Additionally, Maven was selected as a Small Business Prime Day Feature in 2020, with Amazon accounting for 21% of sales last year.

Maven's product line includes both mid-range and premium binoculars, spotting scopes, and rifle scopes. In 2020, Maven launched rifle scope assembly and customization. In 2021, the company plans to add 1-2 new rifle scope lines, as well as increase the customization options for existing products.

While Maven can currently support basic repairs in house, more technical repairs must be outsourced to California. Their long-term goal is to purchase the necessary equipment so that they can do more assembly and all repairs in Lander. Precision equipment and technical staff are needed to meet this demand, and Maven plans to collaborate with Central Wyoming College's Training Development Team to realize partnership opportunities.

Maven currently employs 10 positions at a median wage of \$26.17. (Fremont County's median wage is \$18.92). Maven anticipates the creation of 23 additional jobs and at the end of year five the median wage for all Maven employees will be \$33.04. While there are a few positions that will be under the county median the first few years, they are primarily part-time positions, and all will be above the county median wage by year four. These positions fill a need in the community, as Lander's unique outdoor culture makes part-time work at Maven an ideal opportunity for rock climbers, students, seasonal staff, and second income for families. Finally, Maven offers health, vision and dental insurance to all full-time employees.

Loan Terms

The City is requesting a \$2,705,392 loan. Their proposal includes a 2% interest rate over 30 years. At the end of the loan term, the BRC program will be re-paid \$3,599,878.

Revenue Recapture Plan

The revenue will be recaptured through lease payments by Maven. This rent revenue to the City of Lander will be initially used to repay the loan amount over a 30-year term at a 2% interest rate, which totals \$3,599,878.

After repayment of the loan, 25% of net revenue will be repaid to the BRC fund, which equals \$752,531. The remaining revenue of \$2,257,592 will be recaptured by LEDA for economic development purposes.

Funding Sources and Uses

The requested proposal includes a \$3,000,000 BRC grant and \$2,705,392 BRC loan. Maven will provide a cash and land match totaling \$633,933.

Maven will also invest between \$400,000 - \$800,000 in new equipment as part of the project.

| Sources | |
|---|---------------------|
| BRC Grant | \$ 3,000,000 |
| BRC Loan | \$ 2,705,392 |
| Maven Cash Match | \$ 49,507 |
| Maven Land Match | \$ 584,426 |
| Total eligible project cost | \$ 6,339,325 |
| BRC % of total eligible project costs | 47% |
| Local % of total eligible project costs | 43% |
| Uses | |
| Land Acquisition Costs | |
| Land | \$ 584,426 |
| Non-Construction Costs | |
| Architectural and Engineering fees | \$ 330,876 |
| Other fees (surveys, tests, etc.) | \$ 96,800 |
| Project inspection fees | \$ 12,250 |
| Construction Costs | |
| Site work | \$ 400,000 |
| <i>Building Components:</i> | |
| Electrical Systems | \$ 510,000 |
| Mechanical, plumbing, HVAC systems | \$ 812,000 |
| Landscaping | \$ 50,000 |
| Foundation and/or Structural Framing system | \$ 2,067,100 |
| Interior Finishes | \$ 760,600 |
| Fire Protection | \$ 348,400 |
| Miscellaneous/Other (25 KW roof-top solar) | \$ 65,000 |
| Contingencies (6%) | \$ 301,873 |
| Total Uses | \$ 6,339,325 |

Performance Measure Chart

| City of Lander - Maven Headquarters | | | | |
|-------------------------------------|---|--------------|--|--------------|
| Purpose | To construct a 22,500-sf facility on 1.54 acres for Maven's Headquarters. | | | |
| Project Budget | Projected Grant Expenditure Schedule | | | |
| | Description | BRC | Match | Total |
| | Land | \$ - | Cash - BRC Loan \$ 584,426 | \$ 584,426 |
| | Non-Construction Costs | \$ 205,289 | Cash - Maven \$ 49,507.00 | \$ 439,926 |
| | Construction Costs | \$ 2,794,711 | \$ - | \$ 5,314,973 |
| | Total Project Cost | \$ 3,000,000 | \$ 2,705,392 | \$ 6,339,325 |
| | Percentage BRC of all cash: | | 47% | |
| Performance Measures | Measure | Quantity | Notes | |
| | Businesses Assisted | 1 | | |
| | Additional Investment | \$ 400,000 | Up to \$800,000 in equipment costs | |
| | Loan Repayment | \$ 3,599,878 | Loan repayment over 30 years | |
| | Revenue Recapture | \$ 752,531 | | |
| | County Median Wage | \$18.92/hr | Wyoming Occupational Employment and Wages March 2020 | |
| | Median Wage of Jobs Created | \$33.04/hr | At the end of Year Five | |
| Project Infrastructure | Jobs to be Created (5 Year Projection) | 23 | | |
| | Acres Developed | 1.54 | | |
| Project Infrastructure | New Building Construction | 22,500 sf | | |

Staff Recommendation

Staff recommends funding, as requested.

Attorney General Opinion

Pending.

City of Lander Past Projects Performance

2013: Lander Community Center Community Enhancement Grant & Loan Project

The city was awarded a \$500,000 Community Enhancement Grant and a \$150,000 Loan for the construction of a new 19,000 square-foot Community Center facility. In 2012, the former Lander Community Center was lost to a fire.

The loan term was for 5 years at 2.5% interest. The city made their first two loan payments in 2015 and 2016 and paid the balance in full in 2017.

As of the last Annual Report received in 2018, the Center had hosted over 97 annual events and was used over 143 days per year for other activities. The former center held an average of 35 annual events per year.

2017: Lander Visitor and Chamber Business Complex Community Enhancement Grant & Loan Project

The city of Lander was awarded a \$466,210 Community Enhancement Grant and a \$194,316 Loan for the construction of the new 3,400 square-foot Visitor Center and Chamber of Commerce/Business Complex facility located on the existing property of the former 1,000 square-foot facility that was constructed in 1906.

The new facility provides a welcoming public space with handicap accessible facilities for the visiting public and assists in the retention and expansion of businesses by providing services as a chamber and business complex including office space for short term lease and business incubation opportunities.

As of the most recent Annual Report submitting in 2020; the center had received \$30,217 in additional donations, grants, and other public sources. The visitor count has increased by 54% annually from the visitor count at the old facility. Office space is shared with the Small Business Development Center to increase the Chamber communication with new and expanding businesses.

With both projects, the City of Lander has been compliant on all reporting requirements, both creating a benefit to the community.

Laramie County
VM Accel Accelerated Data Center

Managed Data Center Cost Reduction Application

\$2,250,000 Grant Request
\$16,216,760 Cash Match
\$18,466,760 Total Project Costs

Project Description

Laramie County requests \$2.25 million Business Ready Community Grant and Loan Program (BRC) data center grant to reduce electricity and internet costs of the operation. VM Accel's Accelerated Data Center is in downtown Cheyenne. The company offers High Performance computing services for workloads including Artificial Intelligence (AI), Robotics, defense contracting, Weather Modeling, Data Analysis, and more. All of this is done by a new, innovative, and modernized Data Center.

VM Accel will create high paying jobs in the tech/computing industries as well as support businesses in Cheyenne that require access to high performance computing. VM Accel is additionally using a state-of-the-art cooling system where servers are immersed in liquid, instead of using evaporative cooling, which decreases energy costs and water usage.



The use of the BRC program will allow the company to further offset the relatively high cost of electricity in Cheyenne and allow the company to grow its operations quickly. Additionally, the company will be able to provide competitive pricing to its clients.

Managed Data Center Cost Reduction Projects

Managed Data Center Cost Reduction projects are included in the BRC program largely due to the high cost of electricity businesses in this industry realize. Other important factors of these projects include:

- Low risk
 - These project's utility expenses are reimbursed, not paid by the program.
 - Goals of the project must be verified prior to reimbursement.
- Wages - Jobs created in this industry are generally high-paying positions.
- Taxes - Contribute Sales Tax and Property Tax to the State
- Wyoming Strategic Plan
 - Activating new sectors
 - Enhances current "ecosystem" of data centers in Laramie County.

Community and Economic Benefits

VM Accel's public benefits primarily include direct job creation and the development of infrastructure to support other tech companies or enterprises with large computational needs establishing a presence in Cheyenne. VM Accel is also utilizing its unique infrastructure-building capabilities to retrofit a run-down warehouse building into a state-of-the-art data center, thereby increasing the value and appeal of that area in Cheyenne. Becoming an anchor will attract additional area development.

Additionally, VM Accel will partner with local institutions (universities, medical institutions, tech companies, etc.) to assist with accelerating their computational workloads and decrease their operational costs. Other data centers and tech related companies can benefit from VM Accel's infrastructure by offloading certain intensive tasks to be completed more efficiently, thereby increasing the efficiency of other data center projects in Cheyenne.

Overall, data centers tend to be significant power users and the sales tax generated from the cost of power is seen as a boon for the local economy as well. The salaries and wages of the employees are significantly higher than the county median-income which also has a positive impact on the community.

Strategic Value Proposition

This project aligns with the Wyoming Strategic Plan in the following ways:

- Add Value to Core Industries
 - VM Accel is offering cloud acceleration for high performance computing which many companies, higher education facilities, and research organizations are utilizing. VM Accel is driving innovation and encouraging development of new technologies to create new opportunities.
- Activate New Economic Sectors
 - VM Accel enhances the economic well-being of Laramie County and the State of Wyoming through the growing digital and technological sector. VM Accel is on the cutting edge of new computer-based technology that lends to higher paying jobs and a diversified economy.
- Leverage
 - Through a partnership with the University of Wyoming, VM Accel will offer Computer Science students the opportunity to gain work experience through internships and eventually the opportunity for employment in the technology industry in Wyoming. This not only builds a highly skilled and educated workforce in our state but keeps graduates in Wyoming.

This project fulfills Wyoming's Economic development goal by providing new opportunities for its citizens.

The Business

VM Accel, is a cloud service provider headquartered in Cheyenne, Wyoming. Established in 2019, the Company owns and operates one of the largest Field Programmable Gate Arrays (FPGA)-based acceleration clusters in North America. FPGAs is an emerging field which allows customers to leverage a cloud provider's infrastructure to accomplish various computational tasks faster and more efficiently than with other methods.

The Company's main offering is Infrastructure as a Service (IAAS). Such capabilities are needed by many of the fastest growing areas of technology today including genomics, robotics, defense contracting, weather modeling, and AI. The Company's mission is to become the largest independent FPGA-based Cloud-service provider in the US by increasing its clients' efficiency through its flexible IAAS offering.

The company is projecting 14 jobs by year five. Of those positions, the annual median wage is projected to be \$95,992 (excluding benefits). The Laramie county annual median wage is \$40,663. This is 236% of median wage, which is significantly more than the required 150%.

Budget: Funding Sources & Projected Utility Costs

In a managed data center cost reduction project, the business must create a match in employee wages and capital investment of at least 125% of the grant amount. Of that match requirement, at least 50%, must be in employee wages. VM Accel meets this requirement as reflected in the Sources table below.

The purpose of the BRC's managed data center grant is to reduce the significant costs a data center has in electrical and broadband utility costs. Although, VM Accel has taken a responsible, innovative approach in the cooling of their servers to reduce electrical costs, these costs are still significant. The utility costs will be reimbursed quarterly for a period of 3-5 years. A designated yearly amount will be predetermined for the reimbursements. The business is required to report payroll and capital expenditures along with invoices for actual utility costs. These projected costs are provided below.

| Sources | |
|---|---------------------|
| BRC grant request | \$2,250,000 |
| Required Match (Must be 125% of grant request) | |
| - Projected Taxable Capital Investment (5yrs) | \$9,800,000 |
| - Projected Employee Wages (5 yrs) | \$6,416,760 |
| Total Match | \$16,216,760 |

| Utility Costs | | | | |
|---------------|-----|--------------------|----------------------|-------------|
| Year | kW | Annual Power Costs | Annual Internet Cost | Total |
| 2021 | 300 | \$275,940 | \$72,000 | \$347,940 |
| 2022 | 400 | \$367,920 | \$144,000 | \$511,920 |
| 2023 | 500 | \$459,900 | \$300,000 | \$759,900 |
| 2024 | 600 | \$551,880 | \$600,000 | \$1,151,880 |
| 2025 | 700 | \$643,860 | \$600,000 | \$1,243,860 |
| Total | | | | \$4,015,500 |

Staff Recommendation

Staff recommends funding, as requested.

Attorney General Opinion

Pending.

Laramie County Performance on Past Projects

Laramie County was the first applicant and awardee of a BRC Managed Data Center Cost Reduction Grant for Green House Data Center expansion in 2010 for \$1.5 million dollars, and another \$2.25 million dollars in 2013 for the second expansion of Green House Data.

Not only were they the first to use these MDCCR program funds but have also managed 4 of the total 6 BRC - MDCCR Grants awarded to date and awarded the only two grants through the Governor's Data Center Recruitment Funds.

Laramie County also was awarded 2 \$5 million dollar grants from the Governor's Data Center Recruitment Fund grants for the recruitment and expansion of the Microsoft Data Center in Cheyenne.

Laramie County has been exemplary in all required reporting for both the Governor's Data Center Recruitment Funds and the BRC Managed Data Center Cost Reduction Funds.

Below is the full list of awarded projects:

2010 – Green House Data Expansion \$1.5 million

2012 – Project Summit (Microsoft Recruitment) Gov Data Center Recruitment Funds \$5 million

2012 – Project Summit (Microsoft) BRC - MDCCR \$5 million

2013 – Microsoft Expansion BRC – MDCCR \$2.25 million

2013 – Green House Data CHY2 Expansion BRC - MDCCR \$2.25 million

2015 – Project Nephogram (Microsoft Expansion) Gov Data Center Recruitment Funds – \$4,294,381 (original amount of award: \$5m)

Total Data Center Funds received: \$20,294,381.

Rock Springs-Sweetwater County Airport Board
SW WY Regional Airport Commercial Terminal Modernization

Community Readiness Application

\$3,000,000 Grant Request

\$15,644,757 Match

\$18,644,757 Total Project Costs

Project Description

The Rock Springs-Sweetwater County Airport Board requests a \$3 million Business Ready Community Grant and Loan Program (BRC) grant to modernize the Southwest Wyoming Regional Airport (Airport)'s commercial airline terminal through renovation and expansion. The expansion and renovation will allow for adequate space for security screening, hold room (passenger waiting room), baggage screening, baggage claim and common use space. The project will include design, site preparation, select demolition, water and sewer line improvements, utilities, and parking lot re-design and expansion. The airport will also install a new septic system that will serve this facility as well as the adjacent 75 acres of developable land. Finally, a new natural gas regulator station and 3-mile gas main line to upgrade the gas service to the entire 1,200-acre airport property will be installed.



EXISTING



PROPOSED MODERNIZATION AND EXPANSION



The 15-month project proposes the addition of approximately 17,500 square feet of space to the existing 16,900 square foot terminal, as well as renovations to the existing square footage to work in unison with the expansion. It will include the addition of a third rental car counter and space for a second air carrier. A public-use meeting space will be available for timely business

meetings for local and transient businesses. The addition of a passenger boarding bridge will elevate the visitor's experience, especially during the days that Wyoming experiences severe inclement winter weather.

The existing 1978 terminal was built in a pre-9/11 and pre-COVID world and leave little space for security screening or social distancing. It currently provides hold room seating for 42 people, which was acceptable when the airport was served by 19-seat and 30-seat aircraft. However, with the current 50-seat regional jets and the expected 76+ seat aircraft in the next decade, the hold room is not large enough to support these demands.

History:

This renovation/expansion was first contemplated in the airport's 2003 Airport Master Plan. It was referenced again in the 2015 Airport Master Plan and the 2019 Terminal Area Plan. Due to significant changes in the air transportation industry over the last 20 years, as well as shifting federal funding priorities, this project continued to slip on the airport's capital improvement plan.

However, in 2018, Congress approved \$1 billion in supplemental funding for airports, and continued to approve additional funds in the following years amounting between \$450 - \$500 million. The airport, with support from WYDOT, Sweetwater County and the City of Rock Springs, launched into a Terminal Area Plan Study as well as Conceptual Design for the terminal modernization.

These plans allowed the airport to put forth a successful application that resulted in the announcement in April 2020 that the airport would receive just over \$4.9 million in federal funding for this project. Shortly after that announcement, the Federal Aviation Administration (FAA) advised the airport that it intended to seek an additional \$7.7 million in federal funding for this project.

The FAA process is very unique. While they will not provide any written commitment of funding until the grant agreement is actually issued, the \$4.9 million has been announced through a unique "Intent to Award" and the remaining funding has been included in the FAA's capital plan for this fiscal year. All that funding will be moved into the "programmed" status once bids for the project are opened. Congress has authorized and appropriated FAA's FY2021 funding, so the airport will be ready to receive the FAA Phase 1 (\$4.9 million) in March/April 2021 with the remaining funding being ready by April/May 2021.

Community and Economic Benefits

The Sweetwater Economic Development Coalition (SEDC) in partnership with the WBC, Sweetwater County, and local municipalities is in the final stages of an Industrial Development Plan that includes a targeted industry analysis taking into account regional socioeconomic and infrastructure factors. The results of that study outline six target industry sectors for Sweetwater County (Renewable Energy; Computer Science and Software Publishers; Distribution and

eCommerce; Glass Products; Agriculture, Mining and Construction Machinery; and Inorganic and Agricultural Chemicals.) All six of these industries place an importance on access to air service.

Furthermore, this project will develop over 170 acres of land that can be marketed to aerospace or other industry.

Strategic Value Proposition

This project aligns with the Wyoming Strategic Plan in the following ways:

- Adding Value to Core Industries
 - The airport provides services to the businesses and industries in the area. Southwest Wyoming is home to the world's largest trona mines, as well as numerous oil, natural gas, coal and uranium extraction operations. These operations have resulted in the establishment of support industries as well as the necessary retail, hospitality, medical, and education operations.
 - The airport also supports the tourism, Wyoming's 2nd largest industry. In 2019, Sweetwater County welcomed 609,000 visitors contributing over \$160 million in economic impact and infusing \$8.5 million in state and local taxes.
- Activate New Economic Sectors
 - This project will support SEDC's Industrial Development Plan by providing an important service to the six targeted industries identified for the region.
- Leverage
 - This project will be funded with robust federal investment. The FAA has committed nearly \$14 million for this project, and the local community has allocated almost \$1.5 million in cash and in-kind funding.

This project fulfills Wyoming's Economic development goal by providing new opportunities for its citizens.

The Airport

The Airport is one of nine primary commercial airports in the Wyoming Airport system providing connections for businesses, residents, and visitors throughout Southwest Wyoming to the global economy.

Situated to serve businesses, industry and residents throughout Sweetwater, Uinta, Lincoln, Sublette and Carbon Counties, the Airport served 50,981 total passengers in 2019 and produces annual economic outputs reaching nearly \$37 million in that region. From 2016 to 2019, the airport realized a 57.6% increase in passengers. This rapid growth allowed the airport to secure a third daily flight to Denver starting in the second quarter of 2020 increasing air service capacity and frequency by 50%. While COVID derailed those plans, the airport has continued to experience better than industry average passenger growth during the pandemic.

Revenue Recapture Plan

The Airport Board is obligated to Federal Aviation Administration (FAA) compliance and must realize 39 different grant assurances. One of those assurances prohibits airport revenue diversion. Therefore, per BRC Rules, Chapter 1, Section 8d, the Airport Board is prohibited by governmental rules or regulations from participating in a revenue recapture program.

Funding Sources and Uses

The requested WBC funds account for 16% of the total project costs, with nearly \$14 million coming from FAA funds and the community providing almost \$1.5 million in cash and in-kind funding.

| Sources | |
|--|----------------------|
| BRC amount | \$ 3,000,000 |
| Cash Match | \$ 15,120,800 |
| In-Kind Match | \$ 200,000 |
| Total eligible project cost | \$ 18,320,800 |
| BRC % of total eligible project costs | 16% |
| Local % of total eligible project costs | 84% |
| Ineligible Project Costs | \$ 323,957 |
| Total Project Costs | \$ 18,644,757 |
| Uses | |
| Non-Construction Costs | |
| Architectural and Engineering fees | \$ 2,732,000 |
| Other fees (surveys, tests, etc.) | \$ 110,000 |
| Project inspection fees | \$ 180,850 |
| Construction Costs | |
| Site work | \$ 2,180,200 |
| Demolition and removal | \$ 450,000 |
| <i>Building Components:</i> | |
| Electrical Systems | \$ 1,320,400 |
| Mechanical, plumbing, HVAC systems | \$ 1,675,000 |
| Landscaping | \$ 220,000 |
| Foundation and/or Structural Framing system | \$ 1,730,500 |
| Interior Finishes | \$ 1,750,500 |
| Fire Protection | \$ 200,000 |
| Remediation | \$ 150,000 |
| Other (roofing, waterproofing, insulation, metal wall panels, flashing, scalants, doors, windows, roll-up doors, signage, toilet partitions/accessories, passenger boarding bridge & baggage handling systems) | \$ 3,840,500 |
| Miscellaneous/Other (Plan Review & Building Permit Fees) | \$ 180,850 |
| Contingencies | \$ 1,600,000 |
| Total Uses | \$ 18,320,800 |

Performance Measure Chart

| | SW WY Regional Airport Commercial Terminal Modernization | | |
|-------------------------------|---|-----------------|---|
| Purpose | To modernize the SW WY Regional Airport's commercial airline terminal through renovation and expansion. | | |
| Project Budget | Projected Grant Expenditure Schedule | | |
| | Description | BRC | Match |
| | | | Total |
| | | | Cash |
| | Non-Construction Costs | \$ 500,450 | \$ 2,522,400 |
| | Construction Costs | \$ 2,532,661 | \$ 12,765,289 |
| | Total Project Cost | \$ 3,033,111 | \$ 15,287,689 |
| | Percentage BRC of all cash: | | 16% |
| Performance Measures | Measure | Quantity | |
| | Businesses Assisted | Numerous | This number cannot be exactly determined. |
| | Other Development Assisted | Multiple | Middle Baxter Road Industrial Complex, Trona Patch Expansion, Airport Aeronautical and Non-Aeronautical Development |
| | Total Passengers - Year 1 (CY2022) | 40,000 | |
| | Total Passengers - Year 2 (CY2023) | 45,000 | |
| | Total Passengers - Year 3 (CY2024) | 51,000 | |
| | Total Passengers - Year 4 (CY2025) | 53,000 | |
| | Total Passengers - Year 5 (CY2026) | 55,000 | |
| | Additional Public Dollars Leveraged | \$ 15,644,757 | 1:5+ ratio grant dollars to matching dollars |
| | | | |
| Project Infrastructure | Acres Developed | 8.5 | |
| | New Building Construction | 15,000 sf | |
| | Existing Building Construction | 16,000 sf | |
| | Parking Lot Expansion | 50 | Public Parking Spaces |
| | Sewer | 1 | New Septic System |
| | Natural Gas Main | 3 | Miles |

Staff Recommendation

Staff recommends funding, as requested.

Southwest Wyoming Regional Airport Past Project Performances (Rock Springs-Sweetwater Co. Airport)

2011: RS-SW Co Airport JPB Water Storage Tank Community Readiness Project

The Airport JPB was awarded a \$1 million dollar Community Readiness Grant for the construction of a 500k Water Storage Tank and 6,700 lineal-feet of water line infrastructure to provide needed water storage and capacity to the airport for increased fire suppression and to open up an additional 54-acres for future airport related business development at the Rock Springs-Sweetwater County Airport. This project has directly impacted current and future growth of the airport. The total project came in under budget and only \$992,812 in grant funds was used with the balance going back to the BRC Program for future projects.

The new water storage tank and infrastructure has allowed the airport to grow with the development and construction of the General Aviation Terminal and Hangar and proposed Airport Terminal facility.

2016: RS-SW Co/Southwest Wyoming Regional Airport General Aviation Terminal & Hangar facility Community Readiness Project

The Airport JPB was awarded a \$3 million dollar grant for the construction of a 23,632 square-foot General Aviation Hangar and a 4,526 General Aviation Terminal to house aeronautical service providers and companies with corporate aircraft. The former 3,200 square-foot terminal (circa 1940) and 7,500 square-foot general aviation hangar (circa 1920) were small, outdated facilities and were impediments to area industry corporate travel and in attracting new business and providing the support facilities necessary for economic development. 86 percent of the airport's income for operations comes from general aviation use.

Upon completion of this project in 2018, there has been additional private investment in the airport for \$94,217 in the construction of a solar farm by Rocky Mountain Power Blue Sky Program, and another \$51,000 in additional public investment. There have been 1,500 plus business users per year with an estimated 386 hangar rentals (appx 128 + per year, 50 annual rentals originally proposed). Total annual users of the terminal have been 20,000 plus, and annual Enplanements have been 31,366 which is an increase in the original proposal of 24,128.

The Southwest Regional Airport has been compliant on all reporting requirements and with the performance measures from the Hangar & Terminal project, it is obvious that improvements at the airport have been a huge impact and benefit to the region even during the pandemic.

MEMORANDUM

TO: WYOMING BUSINESS COUNCIL BOARD OF DIRECTORS

FROM: JULIE KOZLOWSKI, DIRECTOR
WYOMING BUSINESS COUNCIL, INVESTMENTS DIVISION

SUBJECT: WYOMING MALTING PAYOFF/SETTLEMENT

DATE: MARCH 1, 2021

Background:

In September 2015, the Wyoming Business Council (WBC) Board of Directors approved a grant and loan combination to Laramie County via Cheyenne LEADS in the amount of \$3,417,719 (\$2,859,784 grant and \$557,935 loan). The project was to construct a 20,000 square facility in Pine Bluffs, WY. The facility would be owned/operated by LEADS. There were distilleries and breweries who had stated they'd be interested in purchasing malt from the facility. The facility was completed and has collected lease payments.

Proposal:

LEADS received an offer from the malting business and investors in the operation to purchase the building in late 2020. After discussion and negotiations between LEADS, the WBC, and Laramie County; a reasonable offer was presented to the WBC on January 15, 2021. The building would be sold to investors of Pine Bluffs distilling for \$1,400,000. These investors have pledged to keep the business running and understand the importance of maintaining this value-added agricultural product/operation in Laramie County. The WBC will receive \$1,400,000 to be used as a combination of paying off the loan (approx. \$550,000) and the remaining to be counted as revenue recapture (approx. \$850,000). The project was originally projected to receive approximately \$2,050,000 in total revenue recapture over a period of 20 years; the State has received approximately \$75,000 thus far. This would put the total revenue recapture of the project (back to the WBC) at \$1,475,000. LEADS will also send \$400,000 to the Laramie County Joint Powers Board RLF (revolving loan fund) from LEADS reserves.

Recommendation:

The staff of the WBC feel this proposal is reasonable. Although it's not the \$2,050,000 the WBC was hoping for (over the 20 years), it is reasonable and would immediately put \$1,400,000 back into the Business Ready Community (BRC) fund for redeployment to economic development projects around the State. In addition, the \$400,000 that will be deposited in the Laramie County RLF will be available to immediately further economic development as well.

The Grant and Loan Committee indicated that staff is free to accept the terms of this settlement and payoff without further board action. Staff has advised Laramie County and Cheyenne LEADS that the WBC wishes to proceed in this manner.

November 30, 2020

Wyoming Business Council Board of Directors
214 W. 15th Street
Cheyenne, WY 82001

RE: Letter of Support for VM Accel Data Center Cost Reduction Grant

To Whom it May Concern,

Cheyenne LEADS is a private, not-for-profit corporation serving as the economic development entity for the City of Cheyenne and Laramie County, Wyoming. LEADS is funded by the Cheyenne business community with more than 300 corporate and individual dues-paying members, and through contracts with the City of Cheyenne, Laramie County, and the Cheyenne-Laramie County Joint Powers Board.

VM Accel is a new data center venture planting roots within the Lincolnway Corridor just outside of our downtown area in Cheyenne. By occupying an existing property, VM Accel is turning an existing building into a state-of-the-art facility. The goal would be to see additional investment and continued growth along the Lincolnway Corridor and in our downtown.

VM Accel pays well above the Laramie County median average and will be a significant primary employer in our community. VM Accel has developed revolutionary technology in the data center industry. Cheyenne LEADS see this new venture as an opportunity to expand the growing technology and computing services sector in Southeast Wyoming. As a member of Forward Greater Cheyenne, we see VM Accel meeting many of the benchmarks laid out in the Forward Greater Cheyenne Plan under Business Retention, Expansion, and Attraction Initiative.

As we understand it, The University of Wyoming and VM Accel are already partnering on projects and seeking grant funding through the NSF. This is a good sign of things to come in this partnership and we support those efforts.

Cheyenne LEADS fully supports VM Accel's grant application seeking utility cost reduction through the WBC Data Center Cost Reduction Grant Fund.

Sincerely,
Cheyenne LEADS

A handwritten signature in black ink that reads "BZ Hale". The signature is written in a cursive, flowing style.

Betsey Hale, CEcD
CEO, Cheyenne LEADS

Senator **Fred Baldwin**
Wyoming Senate **Senate District 14**
P.O. Box 1032 • Kemmerer, WY 83101



mobile (307) 723-0136
email Fred.Baldwin@wyoleg.gov

November 4, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY. 82002

Dear Council members,

It is with great pleasure that I write this letter of recommendation for a Business Ready Community Grant for the Commercial Terminal Modernization Program at Southwest Wyoming Regional Airport.

The terminal facility constructed in the 1970's and not updated since a time when aircraft sizes were smaller and much less efficient. The project scheduled to update the facility is funded from several sources with hope that the Wyoming Business Council will see fit to provide the Business Readiness Grant to help move it forward. This will be especially important as we evolve forward from the pandemic and the economic challenges we have faced. In order to get Sweetwater County and the Wyoming economy back on track it will be especially critical that the airport be able to meet the demands of a growing workforce and the industrial demands anticipated to occur as the area industries return to growth that had already begun pre-COVID-19. Trona industry expansion that has been temporarily stalled with the economic difficulties is set to rebound in a big way and a modern commercial airport facility will be a key piece of that recovery with increased business development and equipment supply logistic needs.

With over 56% increase in utilization over the 5 years prior to the COVID-19 pandemic, it can be expected that the utilization will resume a growing pace as the pandemic wanes. It is of utmost importance that the airport be poised to handle the increases to benefit southwest Wyoming in growth and economic recovery. The transportation industry has been impacted greatly by the pandemic and in order to be ready for full recovery and growth a readiness to quickly handle the demands will be necessary to return vitality to Southwest Wyoming and help with economic stability for the entire state.

Senator **Fred Baldwin**
Wyoming Senate **Senate District 14**
P.O. Box 1032 • Kemmerer, WY 83101



mobile (307) 723-0136
email Fred.Baldwin@wyoleg.gov

As a Wyoming State Senator for Southwest Wyoming I believe that funding this airport project plays a particularly important role in returning growth and prosperity to not only this region but to the entire state. Prior to the pandemic the Trona industry was poised to undergo a significant growth phase that would impact the state greatly. I believe as the pandemic fades into our rear view mirror and economic resurgence occurs that preparations towards that growth are vital. Southwest Wyoming Regional Airport has and will play a vital role in returning that growth to the region and state and I believe this project will be of paramount importance to keep us prepared for the future and in a position to address growing needs in the transportation industry.

Thank you for your consideration and favorable action concerning this grant as we seek to move economic development, workforce needs, and Southwest Wyoming quality of life forward. This project is a key element in our growth and economic stability.

A handwritten signature in dark ink, appearing to read "Fred Baldwin", is written over a horizontal line.

Senator Fred Baldwin

Wyoming Senate District 14

PO Box 1032

Kemmerer, WY. 83101

Senator Liisa Anselmi-Dalton
Minority Whip
Wyoming Senate Senate District 12
1735 Collins Street • Rock Springs, WY 82901



mobile (307) 389-4496
email Liisa.Anselmi-Dalton@wyoleg.gov

Date: November 5, 2020

Wyoming Business Council Board of Directors
214 West 15th St.
Cheyenne, WY 82002

Re: SW WY Regional Airport Commercial Terminal Modernization Program

Dear Wyoming Business Council Board:

I am writing in support of the Business Ready Community Grant funding for the SW WY Regional Airport Commercial Terminal Modernization Program both as a State Senator and business owner employing over 100 employees at 3 local hotels in the area. As the old saying so accurately says, "You only have one chance to make a first impression." The terminal looks old and tired and needs renovation on many levels. I can only compare it with the chic look of the Jackson Hole terminal and would ask for our part of the State to receive funding to be able to prepare for our future to return to viability in these difficult times. Our trona industry is continuing their expansion plans and is one of the bright spots in the extractive industries upon which we are so dependent. Our airport plays a significant role in attracting and keeping industry in this area and helps with business development, including for our other businesses, such as Simplot, Linde, Solvay, and many more. It serves our community in innumerable ways. The pilots stay with us at my hotel and we have many guests that fly in and out of this airport. It is important to note that Mr. Brubaker has done an excellent job in increasing utilization of the airport in the last 5 years (pre-Covid) by an unprecedented 56.7%. As we re-open Wyoming, our airport is critical in ensuring our return to economic vitality in Southwest Wyoming.

Sincerely,

A handwritten signature in blue ink that reads "Sen. Liisa Anselmi-Dalton". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Senator Liisa Anselmi-Dalton
1735 Collins St.
Rock Springs, WY 82901



Mark Gordon
Governor

Diane Shober
Executive Director

October 27, 2020

Wyoming Business Council, Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Re: SW WY Regional Airport Commercial Modernization Program – Business Ready Community Readiness Grant Application

Dear Board of Directors:

We were pleased to learn the long-anticipated SW WY Regional Airport Commercial Modernization Program has moved into the final stages. The timing is fabulous as it creates urgent potential to positively influence the local and regional visitor economy. On behalf of the Wyoming Office of Tourism (WOT), I would like to express our support for this project as you consider it for the Business Ready Community Readiness Grant.

As the state's agency charged with promoting and building the visitor economy, WOT has a vested interest in the continual growth of our local communities. Wyoming remains an attractive destination among business and leisure travelers and, in a time when all aspects of human safety are front-of-mind, our gateways must give a modern, positive and welcoming first impression. Southwest Wyoming Regional Airport's commercial terminal upgrades, expansion and renovations will contribute greatly to that goal. When confident travel continues, the associated direct expenditure and tax revenues from lodging, food services, gas stations and retail are vital economic contributors. Therefore, the proposed project would be an asset to the community, the industry and our wonderful state.

As you review the request submitted by Southwest Wyoming Regional Airport, I strongly encourage your thoughtful consideration and approval.

Sincerely yours,

Diane Shober
Executive Director

Why does the untamed spirit of the West forever find a spot in the souls of all who seek it?
Because some things can't be explained. Only Experienced. "That's WY".

BOARD OF COUNTY COMMISSIONERS

- RANDAL M. WENDLING, CHAIRMAN
- WALLY J. JOHNSON, COMMISSIONER
- ROY LLOYD, COMMISSIONER
- LAUREN SCHOENFELD, COMMISSIONER
- JEFFREY W. SMITH, COMMISSIONER

80 WEST FLAMING GORGE WAY, SUITE 109
GREEN RIVER, WY 82935
PH: (307) 872-3890 FAX - (307) 872-3992

November 3, 2020

Wyoming Business Council Board of Directors
124 West 15th Street
Cheyenne, WY 82002-0240

Re: Southwest Wyoming Regional Airport Business Ready Community Grant Application

Dear Members of the Board,

The Sweetwater County Board of County Commissioners (BOCC) is pleased to offer this letter of support for the Rock Springs - Sweetwater County Airport Board's application to the Wyoming Business Council for the Business Ready Community Grant and Loan Program's Community Readiness Grant for the Commercial Terminal Modernization Program.

As a member to the Joint Powers Airport Board, the BOCC has worked with the Board over the last several years to support the development of this project. To date, we have committed over \$350,000 in local funds to this project.

In a time when our economy is fragile, it is more important than ever for strategic capital investments to be made for the economic future of our communities. This project will not only bring significant economic activity during construction, it will also result in the development of a key gateway to our community and our future. With nearly \$13 million in federal funding already committed to this project by the Federal Aviation Administration, the time is right to make this investment and leverage this federal investment.

The County and local municipalities have been working together to diversify and support our local economy. The draft "Infrastructure Analysis" from the Sweetwater County Industrial Development Plan which will be finalized in December 2020 indicates five of the six targeted industry sectors will have a use for commercial air service. Having a welcoming modernized commercial terminal that will serve as a gateway to our community will play a significant role in our overall future successes.

We respectfully request that the Wyoming Business Council Board of Directors approve this request for funding to assist our community in developing a stronger future for our industries, businesses and residents.

Respectfully yours,

Randal M. Wendling, Chairman
Sweetwater County Board of County Commissioners



***SUBLETTE COUNTY, WYOMING
COUNTY COMMISSION***

David Burnett, Chairman

*P.O. BOX 250
PINEDALE, WY 82941
307-367-4372*

November 17, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, Wyoming 82002

Re: Business Ready Community Readiness Grant for the Southwest Wyoming Regional Airport Commercial Terminal Modernization Program

Dear Board of Directors,

The Sublette County Commission writes in support of this project given its importance to Sublette County and its residents.

Sublette County is currently served by a general aviation/non-commercial airport in Pinedale. However, Sublette County residents, businesses and industry benefit from reliable and affordable air service found at the Southwest Wyoming Regional Airport. In the airport's most recent market study (completed pre-COVID), there were an estimated 17,338 total one-way airline segments bought by residents, businesses and industry in Sublette County in 2019.

The current airport terminal is dated, small and congested making for a poor first impression to visitors in the region, whether they are here for business or leisure. It is critical that our region's only commercial service airport offer facilities that serve as a memorable gateway to our region. It is also critical that the airport take steps to grow its air service connectivity to provide connections to the global economy for Sublette County businesses and industries. A modernized terminal will help keep local passengers flying local, which will ultimately result in increased flight frequency and destinations making Southwest Wyoming an even more attractive business and leisure destination.

The Sublette County Commission whole heartedly supports funding this grant request submitted by the Southwest Wyoming Regional Airport. If you have any questions, please contact Sublette County Administrator Matt Gaffney at 307.367.5214. Thank you.

Sincerely,



Dr. David Burnett, Chairman
Sublette County Commission



Timothy A. Kaumo, Mayor
212 D Street, Rock Springs, WY 82901
(307) 352-1510 · Fax (307) 352-1516

October 14, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

RE: Letter of Support for SW WY Regional Airport Commercial Terminal Modernization Program

To Whom It May Concern:

It is with great pleasure that I offer this Letter of Support for the Southwest Wyoming Regional Airport's Commercial Terminal Modernization Program "Business Ready Community Readiness Grant application."

The City of Rock Springs is focused on economic development for our region, and with that, first impressions and critical infrastructure are instrumental in recruiting and retaining members of our community and in retaining and marketing new business opportunities for southwest Wyoming. The Commercial Terminal Modernization Program will improve the Southwest Wyoming Regional Airport in many ways, including improving that first impression for those visiting our area and who may be considering the relocation of their businesses by modernizing the terminal with updated amenities, increased capacity and security screening features, a new baggage claim area, and more. The Southwest Wyoming Regional Airport is one of only three existing gateways to Sweetwater County which increases its value exponentially. Industry leaders in the oil & gas, trona, coal and renewable energy sectors depend on our ability to transfer employees and goods via air transportation. We see the Commercial Terminal Modernization Project as an investment for current and future economic development opportunities and potential new members of our community, all which will contribute to an increase in tax revenues to our county and state. Currently, our Sweetwater Economic Development Association is in the planning stages of developing an industrial business park directly west of the Southwest Wyoming Regional Airport. Both the business park and the airport complement one another and will bring much needed economic opportunities to Sweetwater County.

Currently, the Southwest Wyoming Regional Airport terminal is outdated and overcrowded when flights are at capacity. Forecasts approved by the Federal Aviation Administration (FAA) indicate that passenger enplanements are ever-increasing. With that, we must welcome future growth and accordingly, prepare for it through renovation and modernization. This grant will be most helpful in bringing this aged facility up to today's standards and achieving a much needed improvement for all.



Timothy A. Kaumo, Mayor
212 D Street, Rock Springs, WY 82901
(307) 352-1510 · Fax (307) 352-1516

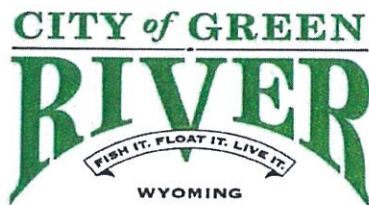
I speak for all of Sweetwater County when I say that this project will not only improve first impressions, it will directly benefit the citizens of Sweetwater County who regularly choose to utilize our local airport over international airports in surrounding areas. Increasing capacity, and improving screening and efficiency will increase flight schedules, improve the passenger experience; improve efficiency and safety for all, along with capitalizing on those important first impressions.

Thank you for your consideration of the Southwest Wyoming Regional Airport's Commercial Terminal Modernization Program Application for the Business Ready Community Grant.

Sincerely,

A handwritten signature in blue ink, appearing to read "Timothy A. Kaumo", is written over the printed name.

Timothy A. Kaumo
Mayor



OFFICE OF THE MAYOR

50 E 2nd North Street Green River WY 82935
(307) 872-6136 admininfo@cityofgreenriver.org
www.cityofgreenriver.org

October 23, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

RE: SW WY Regional Airport Commercial Terminal Modernization Business Readiness Grant

Dear Wyoming Business Council Board of Directors:

On behalf of the City of Green River, as Mayor, I am honored and happy to submit this letter of support for the Business Ready Community Readiness Grant application, for the Southwest Wyoming Regional Airport Commercial Terminal Modernization Program. As a partner with the City of Rock Springs and Sweetwater County, the City of Green River is excited about the potential opportunities this funding would provide for one of our community's most vital resources.

The citizens and governing body of Green River are committed to, and recognize, the importance of the Airport to our community. This commitment is evidenced by our ongoing financial contribution of approximately \$700,000 from 2013 to date, for the guaranteed service and revenue agreement, which effectively provides the assurance of commercial air service by at least one airline. For our citizens, the air travel provided by the Southwest Wyoming Regional Airport is so much more convenient and efficient, and is "safer", particularly during the winter months. Citizens can conveniently travel from Rock Springs instead of driving the long distance to Salt Lake City or Denver.

In addition, the importance of a modern, updated airport facility can not be underestimated in its effect on the economy's vitality, and the quality of life of both existing and new residents. The trona industry is currently working on an expansion of mines in the Green River area, which will provide more than 200 construction jobs and 70 plus permanent jobs over the next several years. Additionally, the planned opening of a new trona mine by Ciner Resources LLC just south of Green River will employ a construction force of approximately 1500 to 2000 workers for several years, with a permanent workforce of 500 after completion.

The time is now to develop the resources critical to the recruitment and retainment of the needed workforce. We must prepare for serving the transportation needs of an expanding group of professionals in the trona industry, as well as the developing alternative energy industries locating in Sweetwater County and surrounding areas such as solar and wind energies. Efficient air travel will be key to supporting this economic growth.

For these reasons, we are happy to support the SW Wyoming Regional Airport Commercial Terminal Modernization Program's grant application, and encourage your positive consideration of their request.

Thank you for all you do for the citizens of our State.

Sincerely,

Pete Rust, Mayor



Town of Wamsutter

231 McCormick St
PO Box 6
Wamsutter, WY 82336-0006

Phone: 307-328-0468
Fax: 307-324-9438

November 5, 2020

Wyoming Business Council Board of Directors
214 West 15th street
Cheyenne, WY 82002

RE: Grant Name: Business Ready Community Readiness Grant
Project Name: SW WY Reginal Airport Commercial Terminal Modernization Program

This letter is written in reference to the project and grant referenced above. The Town Council for the Town of Wamsutter is in support of this project and feel that the project should move forward as the Southwest Wyoming Regional Airport is one of the gateways to our rural communities.

The Town of Wamsutter recognizes that the airport touches nearly every industry, business, and resident in Southwest Wyoming either through cargo, passenger, or general aviation operations. The airport is key to businesses being able to recruit new employees, attract new investors, and receive just-in-time inventory and supplies.

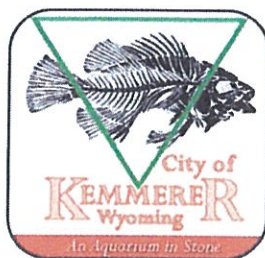
The Town of Wamsutter is one of the rural communities furthest away from the airport and recognize that driving 70 miles to the Southwest Wyoming Regional Airport and then 70 miles back to our homes is often times cheaper than driving 250 miles to the Denver or Salt Lake City airports and many of the residents of the Town of Wamsutter use their local airport.

Sincerely,

Joseph Erickson
Mayor

It's more than You Think ...

Kemmerer City Hall
220 State Highway 233
Kemmerer, WY 83101



(307) 828-2350
www.kemmerer.org

Make it Matter – Make it Better – Make it Happen

October 28, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Re: *Southwest Wyoming Regional Airport Commercial Terminal Modernization Program*

Dear Wyoming Business Council Board of Directors:

We are pleased to support the efforts to modernize and expand the Southwest Wyoming Regional airport and even see it as possibly complementing our own Kemmerer Regional Airport, which is unmanned and serves private pilots and their passengers, not commercial customers.

Our citizens, residents, and businesses currently have to drive about 2.5 hours to reach the Salt Lake International Airport if they want to go to Denver (and then on to other destinations for many) and only 1.5 hours to get to the Southwest Wyoming Regional Airport. Our hope is that this will not only provide our community with more flights to Denver nearer, but that it will also help our Southwest Wyoming economy grow. We anticipate that it will be especially beneficial to business travelers who may want a better customer experience and services. The current terminal in Rock Springs could use more capacity and less wait time when it comes to going through security and boarding flights.

It is worth noting that during the winter, we do have business and other travelers who try to come to Kemmerer from Salt Lake International, but sometimes can't because of Interstate 80 being closed at Evanston. They could simply fly from Denver to Rock Springs and then take State Highway 30 to Kemmerer and bypass the notorious and risky 3 sisters mountain passes.

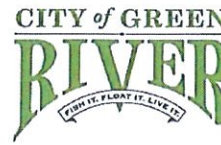
Having a closer option nearer by will help us attract and keep businesses and employees and residents in Kemmerer, as well as expand existing businesses, which is one of greatest needs in the long term, since our coal-fired power plants are at risk of closing. A stronger business climate would help our local tax base, which is how we fund city services and create a vibrant community.

Sincerely,

A handwritten signature in blue ink that reads "Tony Tomassi". The signature is fluid and cursive, with the first name "Tony" and last name "Tomassi" clearly distinguishable.

Mayor Tony Tomassi
City of Kemmerer

Cc: Devon Brubaker, Director Southwest Wyoming Regional Airport



Kayla McDonald
Economic Development Specialist
Sweetwater Economic Development Coalition
80 W. Flaming Gorge Way
Green River, WY 82935

October 29, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

RE: SW WY Regional Airport Commercial Terminal Modernization Program

Dear Wyoming Business Council Board of Directors,

On behalf of the Sweetwater Economic Development Coalition (SEDCC), I am writing today to pledge our support of the Southwest Wyoming Regional Airport Commercial Terminal Modernization Program Grant request. The Sweetwater Economic Development Coalition understands the importance of this Terminal project because our airport is a vital component to the quality of life and economy here in Southwest Wyoming. The airport services every industry, business and resident here in the Southwestern region of Wyoming. The Southwest Wyoming Regional Airport plays a critical role for local businesses to be able to receive their inventory and supplies to keep their doors open. Which is very important with the current challenges facing businesses now during the COVID-19 Pandemic.

The airport continues to see growth and truly cares about the needs of the residents and travelers. The Sweetwater Economic Development Coalition believes that this project will help in our continued efforts to grow the economy, recruit new businesses and companies to Sweetwater County. The modernization of the current airport commercial terminal will not only benefit the community and its residents but it will be a great front door experience to the area as travelers arrive. In closing, I would like to say that our residents take pride in our communities here in Southwest Wyoming and we believe this project once it is completed will give the staff and residents something to proud of and fulfil a need in the Southwest Wyoming Region.

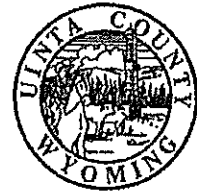
Our organization pledges its full support for this grant request and project. Should you have any questions, please feel free to reach out to me and I would be happy to visit further regarding our support of this project.

Sincerely,

A handwritten signature in black ink that reads 'Kayla McDonald'.

Kayla McDonald

UINTA COUNTY
ECONOMIC DEVELOPMENT COMMISSION
225 9TH Street, Evanston, Wyoming 82930



November 6, 2020

Devon Brubaker

Southwest Wyoming Regional Airport

PO Box 1987

Rock Springs, WY 82902

Devon,

Thank you for this opportunity to comment and support your grant application to the Wyoming Business Council for modernizing the commercial terminal at the Southwest Wyoming Regional Airport. Southwest Wyoming has become more and more important in the diversity and economic growth for the State of Wyoming. The impact of having two commercial airports within 1.5 hours of Evanston and Uinta County has become an important factor in interests of companies moving their operations to Wyoming. We in Uinta County certainly are in favor of improvements to our region and look forward to continued collaboration with our neighbors in Sweetwater County.

Uinta County Economic Development Commission has worked hard to increase awareness to Southwest Wyoming and will continue to support any improvements that increase the economy in our State. You certainly have our support for this proposal and look forward to hearing the progress of the airport

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Welling", is written over a horizontal line.

Gary Welling

Uinta County Economic Development Director

Wyoming Business Alliance

Business Makes Wyoming Better

November 3, 2020

Wyoming Business Council
Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Dear Chairman Easley,

As we look to the future, there is a need to expand, diversify and enhance Wyoming's economy. Predictable and reliable transportation is essential for all sectors of Wyoming businesses to thrive. For this reason, the Wyoming Business Alliance supports and requests the Wyoming Business Council to invest in the Southwest Wyoming Regional Airport Commercial Terminal Modernization Program through the Business Ready Community Readiness Grant.

The Commercial Terminal Modernization Program offers a hope of rejuvenated tourism in the southwest corner of the state, bringing the airport back to life with new and upgraded amenities and offering a top-notch customer service experience. The Southwest Wyoming Regional Airport has already seen a significant increase in passenger enplanements and is progressing beyond the FAA forecasts. Just this fact alone suggests the need for expansion. Tourism is our second largest economic driver, and these improvements will help and encourage accessibility to all areas of our beautiful state, generating much needed additional revenue through sales taxes, lodging taxes and fuel taxes.

With our current fragile economic conditions, an expansion project of this nature will provide much needed work for many construction companies and keep Wyoming citizens employed, now and in the future as the airport grows and brings new life to this gateway to Sweetwater County.

We recognize that Council gets more requests for projects than has available funding. We deeply appreciate your consideration and thoughtful Board review of the Southwest Wyoming Regional Airport Commercial Terminal Modernization Program. Please do not hesitate to contact me if you would like to discuss the contents of this letter in greater detail.

Sincerely,


Cindy DeLancey
President, Wyoming Business Alliance



PO Box 3197
Cheyenne, WY 82009



cindy@wyoba.com
wyomingbusinessalliance.com



307.635.9490



Wyoming Business Council Board of Directors

214 West 15th Street

Cheyenne, WY 82002

RE: SW WY Regional Airport Commercial Terminal Modernization Program

To Whom It May Concern,

Southwest Wyoming Manufacturing Partnership is a strong supporter of the Business Ready Community Readiness Grant application submitted by the Rock Springs-Sweetwater County Airport Board for the modernization of the Southwest Wyoming Regional Airport commercial terminal. Southwest Wyoming Manufacturing Partnership (SWMP) has worked closely with the Airport Board as a valued member of the Partnership and understands that the development of the southwest region will benefit from the development of this asset.

While the commercial terminal serves as a key gateway to our region, the airport facilities as a whole act as a doorway to Sweetwater County. This doorway is one of the focuses of the SWMP and is an important economic development factor for southwest Wyoming. The current facility is aging out and is restricted in square-footage, amenities and style providing a doorway to the past and not a gateway to the future. The SWMP is built of multiple community partners who are actively looking to chart a new path forward for Southwest Wyoming and we implore that the Wyoming Business Council to help us build a gateway to the future. The Southwest Wyoming Manufacturing Partnership understands how a well-designed airport can make the difference between recruitment of employees, economic and recreational development a success or a failure.

The Southwest Wyoming Regional Airport has assisted in the development of existing development efforts in Sweetwater County. SWMP expects that role will expand in the coming years as many of our business partners are working to grow, while developing new industry sectors. As a partner in the communities across Southwest Wyoming, Southwest Wyoming Manufacturing Partnership recognizes that successful airport impacts every industry, business and resident in Southwest Wyoming either through cargo, passenger or general aviation operations, and this drives us to support this project.

We recognize that supporting this project is critical to southwest Wyoming and hope the WBC Board of Directors to do the same.

Sincerely,

Southwest Wyoming Manufacturing Partnership



SWEETWATER COUNTY TRAVEL & TOURISM BOARD

October 30, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Re: Business Ready Community Readiness Grant Application - SW WY Regional
Airport Commercial Terminal Modernization Program

To Whom It May Concern,

It is without reservation that the Sweetwater County Joint Travel and Tourism Board (SWCTTB) fully supports the Southwest Wyoming Regional Airport application for a Business Ready Community Readiness Grant to support the Commercial Terminal Modernization Program.

This long-awaited modernization program, which will be the largest in airport history, will improve security, the passenger boarding experience, as well as the overall appearance and amenities offered at the airport. When a passenger arrives in Sweetwater County, the first impression is absolutely critical. This modernization program will ensure that our visitors, new businesses and potential resident are greeted for the first time to our area with a safe and aesthetically appealing terminal. This will increase our ability to generate visitation and recruit businesses and investors to Sweetwater County.

Based on the SWCTTB annual advertising conversion study, each traveler to our area spends approximately \$143 per day in Sweetwater County. As the second largest industry in the state, in 2019, travel and tourism generated \$162 million in total direct spending in Sweetwater County supporting almost 1,500 jobs. It is projects like this that will help to ensure that the local tourism industry and economic development in Sweetwater County will continue to thrive.

Should you have any questions on the position of the Sweetwater County Joint Travel and Tourism Board concerning this project or need any additional information, please do not hesitate to contact our office at (307) 382.2538.

Sincerely,

A handwritten signature in black ink that reads "Jenissa Meredith".

Jenissa J. Meredith
Executive Director
Sweetwater County Joint Travel and Tourism Board



October 20, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Dear Wyoming Business Council Board of Directors:

Memorial Hospital of Sweetwater County submits to you our support of the Rock Springs-Sweetwater County Airport Board's application for a Wyoming Business Council Business Ready Community Readiness Grant.

The Rock Springs-Sweetwater County Airport Board, which is responsible for the operation and management of the Southwest Wyoming Regional Airport, is in the final stages of design on the largest project in airport history. The long-awaited Commercial Terminal Modernization Program is moving forward with construction planned for 2nd quarter 2021. The Airport Board has shared with us the Commercial Terminal Modernization Program, first discussed in 2003 shortly after the advent of the Transportation Security Administration, has been a long time coming. Originally built in the late 1970's, the existing terminal includes the renovation of the existing 16,000 square foot terminal along with an expansion of approximately 15,000 square feet. The renovation and expansion will allow for significant improvements to security screening space and technology, hold room (gate) space, passenger boarding experience (jet bridge), public spaces (ticketing and baggage claim) and overall appearance and service amenities. Serving as one of three gateways to our community, our community airport often informs a traveler's first and last impression of our community, region, and even our country. It must mirror our community. It must provide for a positive and memorable experience at a facility that is, in the best of times, busy, crowded, and stressful.

The Airport Board recognizes that our airport touches nearly every industry, business and resident in Southwest Wyoming either through Cargo, Passenger or General Aviation operations. We strongly agree the airport is key to businesses being able to recruit new employees, attract new investors, and receive just-in-time inventory/supplies. The Board strives to provide facilities, services and amenities that allow each of these businesses to excel in these efforts.

We have learned recent forecasts approved by the Federal Aviation Administration show that passenger enplanements will increase to nearly 40,000 each year by 2037. This was based on a base forecast of 2018 passengers of 21,000. However, in 2018 the airport saw 24,128 enplanements and 25,562 in 2019. The 2019 numbers represented a 56.7% increase over 2016 enplanements.

The total project is projected to cost \$18.5 million. The Airport Board has secured nearly \$13 million in Federal Aviation Administration funding, and is finalizing the WYDOT and Business

Council Funding, which is expected to approach \$3.5 million. This will leave \$1.3 million to be funded locally.

Memorial Hospital of Sweetwater County's vision is to be our community's trusted health care leader. The Rock Springs-Sweetwater County Airport supports numerous medical professionals that provide critical public and social services to our community. If the Airport cannot continue with this project, the community could potentially suffer because the Airport cannot accommodate these health services. During our physician and professional recruitment efforts, the Airport often serves as the first impression of our community to applicants. The Airport impacts each and every individual in our community whether through the receipt of freight, medical care, or employment. The Rock Springs-Sweetwater County Airport has an immediate need for growth and development and this grant is key to their success to grow with the community. We support groups working to enhance and strengthen our community.

Memorial Hospital of Sweetwater County supports the Airport Board's overall purpose of SW WY Regional Airport Commercial Terminal Modernization Program to enhance the community's ability to attract and retain businesses that have aviation interests.

Thank you for your consideration.

Sincerely,



Irene Richardson
Chief Executive Officer

cc: dbrubaker@FlyRKS.com
Southwest Wyoming Regional Airport
Attn: Devon Brubaker
PO Box 1987
Rock Springs, WY 82902



November 10, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Business Council Board of Directors:

Ciner Wyoming, is pleased to offer this letter of support for the Rock Springs-Sweetwater County Airport Board's Wyoming Business Council application for funding towards the modernization of the Southwest Wyoming Regional Airport's commercial terminal. As the world's largest producer of natural soda ash, with headquarters in Atlanta, Georgia, and a robust state-of-the-art production facility located in Green River, Wyoming, we rely heavily on air transportation to connect to our customers, investors and employees.

Our production facility in Green River employs 475 with plans to hire an additional 50 upon completion of our Unit 8 Capacity Expansion Project. During this project, we expect a peak workforce of 560 additional construction workers. Further expansion under consideration to the south of I-80 by one of our subsidiaries could result in even larger gains to the region.

With operations in Turkey, Atlanta, London, and Wyoming, it is critical that our employees and business partners can connect by air. The Southwest Wyoming Regional Airport provides a gateway to the global economy and our worldwide operations. The current airport terminal does not provide for efficient or comfortable passenger processing and lacks in general space and appearance. We regularly invite business partners to visit our Wyoming operations and they are greeted by the existing airport terminal which is generally lacking. The terminal should serve as a gateway that provides a welcoming that is both comfortable and positively memorable. As we continue to grow our operations in Sweetwater County and invest heavily in Wyoming, it is critical that our community's infrastructure keep up with the growth.

We are always looking for better connectivity through the airport and we believe that this project will help the airport continue to grow passenger service. This will benefit our business operations while also providing a boost to the quality of life in the region for our growing workforce.

Ciner is investing in Southwest Wyoming and we ask that the Wyoming Business Council do so as well through the approval of this grant request.

Sincerely,

Craig Rood
Director, PR & Govt Affairs



J.R. Simplot Company
P.O. Box 27, Boise, Idaho
83707 0027

208 123 4567 Business
208 765 4321 Cell
208 765 4320 Fax

November 6, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

WBC Board of Directors:

The J. R. Simplot Company is a privately held agribusiness company based in Boise, Idaho. Simplot's Rock Springs Fertilizer plant began production in 1986 and has been a committed and reliable employer in Sweetwater County for more 30 years. With expansions done in 1996, 1999, 2012 and 2017 Simplot has a significant impact on our local economy. Locally we currently employ 294 local residents and contract with additional companies in our community. Annually, the facility pays \$5.7 million each year in property taxes, and channels over \$30 million into the Southwest Wyoming economy through employee salaries.

Simplot relies on the Southwest Wyoming Regional Airport both for general and commercial aviation services. Our employees, contractors and customers utilize the commercial air service to connect to worldwide destinations from domestic markets to markets throughout Europe. The connectivity that the airport provides is critical for our operations.

Commercial terminals should be representation of the community and region in which they reside. They inform a traveler's opinion of a community, region and even state. Unfortunately, our current cold, uncomfortable and congested terminal is absent of adequate space, character, and creature comforts that today's traveler demands. The Commercial Terminal Modernization project will rectify these shortcomings and allow this gateway to become a key component to our region's growth.

As a significant contributor to Southwest Wyoming's economy and a partner to the communities around us, we are closely monitoring the efforts to diversify our economy. Combined with our own plans for growth, we see a brighter future for Southwest Wyoming. This project will support those efforts through improved infrastructure and services.

We believe that this project will result in immense value to local core industries and assist in the activation of new economic sectors. We ask for your favorable consideration of the Rock Springs-Sweetwater County Airport Board's BRC grant application.

Sincerely,

Bret Pizzato
Rock Springs Plant Manager
J. R. Simplot Company



Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Re: Grant Name:
Business Ready Community Readiness Grant

Re: Project Name:
SW WY Regional Airport Commercial Terminal Modernization Program

Dear Board of Directors:

On behalf of Genesis Alkali, I am writing the Wyoming Business Council to express support for the proposed Rock Springs – Sweetwater County Airport Commercial Terminal Modernization Project. As the largest and oldest natural soda ash mine and manufacturing operation in Wyoming, we request the Wyoming Business Council Board of Directors give full consideration to approving a Business Ready Community Readiness Grant so this important project comes to fruition.

In our view, airport modernization in Sweetwater County is long overdue. I recall a story a number of years ago when we sought to hire a talented engineer. After the first round of interviews, we flew the engineer's spouse to Rock Springs to check out the community. When the spouse got off the plane and took one look at the commercial terminal word came back that there was no way the family would ever consider relocating here.

First impressions are critical in forming our initial perceptions. The airport often informs a traveler's first and last impression of the community. Unfortunately, in this instance, the present commercial terminal does not put our best foot forward and does not reflect well on the quality and friendliness of the community as a whole.

From a competitive standpoint, it is very important Genesis Alkali is able to attract the best talent. In the past five years, we have recruited and hired several hundred employees. This is a time consuming and expensive process. The typical feedback we receive from candidates when we're unsuccessful recruiting are concerns about the general lack of amenities in the community. The airport often comes up as part of that conversation.

Genesis Alkali believes a new commercial terminal will provide a more favorable gateway to our community, enhance our recruiting efforts, and improve the quality of travel experience to those of us who call Southwest Wyoming home. For these reasons, I urge the Board of Directors to approve the grant request.

Fred von Ahrens
Vice President Manufacturing



November 5, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Re: SW WY Regional Airport Commercial Terminal Modernization Program

Dear Board of Directors,

As the Southwest Wyoming Regional Airport enters its final stages of design on the long-awaited **Commercial Terminal Modernization Program**, with great support, Dominion Energy of Wyoming asks that the application for a **Business Ready Community Grant (BCRG)** be approved.

If approved, the application, submitted by the Rock Springs-Sweetwater County Airport Board, will provide funding to renovate and expand a terminal originally built in the late 1970's. The modernization with significant improvements will facilitate our airport to continue to serve as an attractive gateway to visitors and improve the image that many job recruits, investors, and business developers initially have of our area. This project will have a significant impact on economic development for Southwest Wyoming by providing a favorable first impression for visitors.

Forecasts by the Federal Aviation Administration indicate a steady increase in passenger enplanements over the next several years and the current condition of the terminal is inadequate to accommodate the projected number of travelers.

Southwest Wyoming and the state of Wyoming are experiencing an increase in interest as an attractive place to do business. An up-to-date, appealing airport is a critical component to the efforts of a community in recruiting, expanding, diversifying, and retaining business. The Southwest Wyoming Regional Airport is a principle economic driver for our community and the success of Southwest Wyoming is reliant on the success of the airport.

Dominion Energy of Wyoming appreciates and uses this airport, supports this project, and encourages the Wyoming Business Council to approve this application.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Todd Redmon', with a stylized flourish at the end.

Todd Redmon
Supervisor Region Operations
Dominion Energy Wyoming



October 31, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

WBC Board of Directors:

Hilcorp Energy is pleased to submit this letter of support for the Rock Springs-Sweetwater County Airport Board's grant application for BRC Community Readiness funds for the modernization of the Southwest Wyoming Regional Airport's commercial terminal.

Hilcorp was founded in 1989 with the vision of being the premier independent energy company in America. Today, we are the largest privately owned oil and natural gas producer in the country. Hilcorp first entered the Green River Basin in 2016 with a current profile in Wyoming including over 465,000 gross acres, nearly 2,400 producing wells, approximately 24,400 gross BOE per day and over 90 employees and full-time contractors. In 2019, Hilcorp paid nearly \$30 million in state taxes and royalties and invested over \$20 million in strategic initiatives statewide.

With our vast operations throughout Sweetwater, Lincoln, Uinta and Sublette Counties in Southwest Wyoming, the connectivity that the Southwest Wyoming Regional Airport provides our employees, business partners, and customers is critical to our success. It is also a key component of our employee's quality of life.

The modernization of the current facility will ensure that the airport is able to continue their growth trajectory and support the economic development and diversifications efforts throughout the area. Our relationships throughout the region have provided us with a look into a brighter economic future for the area. The airport and its commercial terminal will play a significant role in this prosperous future.

We strongly support this project and grant application as an investment in the region's future and respectfully ask for your support as well.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bradley Simpson', written over a horizontal line.

Bradley Simpson
Rockies Asset Team Leader

PO BOX 61229
Houston, TX 77208-1229

1111 Travis Street
Houston, Texas 77002

Phone: 713/209-2400

hilcorp.com^{17395.1}



Let's turn the answers on.

D. Sharon Fain
Vice President, Wyoming
315 West 27th Street
Cheyenne, Wyoming 82001
(307) 829-7470

October 15, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

RE: SW WY Regional Airport Commercial Terminal Modernization Program

To Whom It May Concern:

Rocky Mountain Power fully supports the Business Ready Community Grant (BCRG) application submitted by the Rock Springs-Sweetwater County Airport Board. If approved, the funds will be used to modernize the Southwest Wyoming Regional Airport's commercial terminal. Rocky Mountain Power has worked closely with the airport board since the project's inception and understands the value of supporting partnership and investing in the communities and businesses we serve.

The commercial terminal is a key business and leisure gateway into southwest Wyoming. Often serving as the first and last impression of the region, it must represent the spirit and community's commitment to the area's economy. The current facility is severely limited in space, amenities and function creating an unfavorable impression for visitors.

The airport plays an integral role in the region's industrial development which is projected to expand as area businesses are committed to new growth and the development of new industry sectors. As a community partner, Rocky Mountain Power recognizes the airport touches nearly every industry, business and resident in southwest Wyoming either through cargo, passenger or general aviation operations. The airport is critical to the area's ability to recruit new workforce, attract investors and receive just-in-time inventory/supplies.

As communities across our state seek innovative solutions to current and future economic challenges, it is critical that visitors view southwest Wyoming as an attractive location to create new businesses that will expand and diversify the economy. Along with you, we understand how a well-designed airport serves as a critical component of economic development business recruitment/attraction, expansion and retention.

We strongly support this project and encourage the Wyoming Business Council's Board of Directors to approve the request.

Sincerely,

A handwritten signature in cursive script that reads "D. Sharon Fain".

D. Sharon Fain, CEcD
Vice President, Rocky Mountain Power, Wyoming



Mountain States Pressure Service, Inc.

P.O. Box 1930
Rock Springs, WY 82902
Phone: (877) 77-MSPSI
Fax: (307) 362-2824
MSPSI.COM

October 26, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

SW WY Regional Airport Commercial Terminal Modernization Program

Dear Board of Directors,

It is my pleasure to write this letter in support of the modernization program at our airport here in Rock Springs. The airport is an important part of our community for business and personal travel needs. Our company and our community will be greatly impacted by this project.

Mountain States Pressure Service was founded in Rock Springs in 1998. For the first 15 years, the company was focused on the work in Sublette County, WY. As we have grown and stretched out our reach to 6 other states, including Pennsylvania, it became necessary to travel more often. We have gone back and forth with flying out of Rock Springs or Salt Lake City. We have seen benefits to both options. It is preferred to fly out of Rock Springs, and the airport management has been proactive in facilitating this option. The modernization of our airport can only help encourage the use of our airport.

In conclusion, I join my voice in support of the modernization project of the Southwest Wyoming Regional Airport. Should you have any questions regarding this letter, please don't hesitate to call.

Best Regards,

A handwritten signature in blue ink, appearing to read "J. Sorensen", with a stylized flourish at the end.

Joshua P Sorensen
President

GROWYO, LLC

Southwest Wyoming Regional Airport
Attn: Devon Brubaker
PO Box 1987
Rock Springs, WY 82902

October 29, 2020

Dear Mr. Brubaker,

GroWyo, LLC is a small group of individuals who are investing in the infrastructure in downtown Green River, WY in order to help facilitate economic development in our community.

We are fully aware of the continued need for consistent and expanded air transportation services in this area. We are in complete support of all efforts to build the system bigger, stronger and more robust. As an economic tool, having the airport modernized shows the commitment we have to companies that exist here currently as well as those we seek to have expand business here.

We support any and all opportunities for our airport to be enhanced and appreciate all the work being done to facilitate it's continued and future roll in the viability of our community.

Sincerely,



Marty Carollo

2710 Alamos Cir
Green River, Wy
82935

3078702338
Sagerunner14@gmail.com
www.gro-wyo.com



October 19, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Dear Wyoming Business Council Board of Directors:

I write to you today to express my support and RSNB Bank's support for a Business Ready Community Readiness Grant for the SW WY Regional Airport Commercial Terminal Modernization Program.

The Rock Springs Airport terminal was built decades ago to serve Sweetwater County. Since that time, air travel has changed immensely. The current terminal does not provide adequate space or functionality for today's air travel, especially when considering the increase in enplanements over the past few years. The renovation and expansion of the terminal has become a necessity, rather than a nice-to-have amenity.

Renovation and expansion of the current terminal is key to providing further economic development for individuals and businesses in Sweetwater County. A modern airport is often essential in recruiting new employees and business to the area. It also allows flexibility for existing businesses to be able to conveniently bring individuals and goods into the area.

As we provide enhancements for existing and new businesses, the economic vibrancy of our community increases and every individual and business benefits from the project. The renovation and expansion of our airport terminal would certainly have such an effect in our community.

I appreciate your time and consideration in supporting a Business Ready Community Readiness Grant for the SW WY Regional Airport Commercial Terminal Modernization Program.

Sincerely,

Ben Hansen
President

PO Box 880, Rock Springs, WY 82902-0880
Main Office • 307-362-8801 • Fax 307-362-9432
West Branch • 307-362-0105 • Fax 307-362-0728



1701 Decora Dr
Rock Springs WY 82901
Phone:307-362-6661
Fax:307-362-6663

November 8, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Dear Sir or Madam:

I am the owner of Infinity Power and Controls in Rock Springs Wyoming. I am a frequent traveler within our state and abroad. I am very familiar with the operations of the Southwest Wyoming Regional Airport in Rock Springs and I am very much in support of the Business Ready Community Readiness Grant for the SW WY Regional Airport Commercial Terminal Modernization Program. The present terminal is very small and actually archaic. When traveling around the country I have the opportunity to fly into and out of other regional airports around the United States. One in Particular is in Eugene Oregon, where United and American airlines is a destination point. We fly in and out of this airport several times a year. It is a small regional airport with modern facilities. These facilities such as the luggage handling is efficient and easily compared to a larger airport in a larger city. In Rock Springs, luggage alone takes way to long and is very inefficient.

This is not the only thing I see that can be improved at the Rock Springs Airport. Check in, TSA and the boarding gates are very small and cumbersome. As much travel that goes in and out of this facility, it sees the need for a larger venue and modern facilities to streamline the ease of traveling out of Rock Springs. By doing this, and not traveling to Salt Lake City or Denver, it saves our employees and myself time and more importantly money. Time is money in our business.

I want to put in my support for this grant for SW WY Regional Airport Commercial Terminal Modernization Program since I am a frequent user and see the need to improve the facilities to encourage travelers to make Rock Springs not only a place to fly out of, but a destination for travelers that need to come to our area of the country to work, play or even vacation.
If you have any questions please feel free to call me

Sincerely,

Bruce W Pivic

Bruce W Pivic
Owner

THE ONLY LAND CLAIMED BY THIS COMPANY WITHIN ITS RANGE IS SUBSTANTIALLY ALL THE ODD NUMBERED SECTIONS AND VARIOUS EVEN NUMBERED SECTIONS. WHERE RIGHTS OF WAY ARE NOT ESTABLISHED TO THE PUBLIC DOMAIN THE COMPANY OFFERS TO ESTABLISH AND DEFINE SUCH RIGHTS OF WAY UPON APPLICATION TO THE SECRETARY. ALL PERSONS ARE HEREBY WARNED NOT TO TRESPASS UPON ANY PORTION OF SUCH COMPANY CLAIMED SECTIONS WHICH ARE NOT TO BE USED AS A RIGHT OF WAY TO THE PUBLIC DOMAIN.

ROCK SPRINGS GRAZING ASSOCIATION

P.O. BOX 247

ROCK SPRINGS, WYOMING 82901

Office (307)-362-3921

October 20, 2020

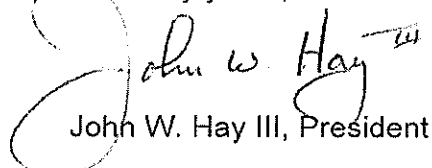
Wyoming Business Council Board of Directors
214 West 15th St.
Cheyenne, WY 82002

Dear Board of Directors:

The Southwest Wyoming Regional Airport facility has been in place since the late 1970's and has worked well for regional industries and communities. The Airport Board and Mr. Brubaker have done an outstanding job to promoting the regional airport and Sweetwater County business in general. Emplanements are up substantially since 2016 and facility upgrades and additional space are needed.

The industrial base in Sweetwater County is national and international in make up and the availability of a very nice airport facility is important in their decision to locate and or stay here.

Sincerely yours,


John W. Hay III, President



October 19, 2020

Wyoming Business Council
Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Dear Council:


On behalf of the Sweetwater County Fair Board, I am expressing our support for the Southwest Wyoming Regional Airport's Commercial Terminal Modernization Program and their application for a Business Ready Community Readiness Grant.

The Southwest Wyoming Regional Airport serves a vital need in our community for both residents and visitors. It is literally the gateway into our community for numerous guests traveling for both work and leisure. The existing terminal and much of the infrastructure dates to the 1970's and is definitely showing its age. The current airport fills a critical need in our community, but unfortunately, it does not leave a lasting positive impression on the people who utilize it.

The current project and enhancements would allow for significant improvements in both functionality and aesthetics, resulting in a positive and memorable experience for all who utilize this facility. As our community strives to recruit new visitors, residents and businesses, it is important that our airport reflect our region's commitment to growth and hospitality.

The Sweetwater County Fair Board strongly supports the efforts of the Southwest Wyoming Regional Airport to provide improved facilities, services and amenities that will benefit all visitors and members of our community, and encourages your approval of their Business Ready Community Readiness Grant.

Regards,


Larry Lloyd
Executive Director
Cc:fileLL/emk



October 28, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

WBC Board of Directors:

Established in 2012 right here in Sweetwater County, the Muley Fanatic Foundation has grown into a 16-Chapter multi-state wildlife conservation non-profit that has invested over \$4 million in on-the-ground projects including habitat, water, research, youth, and wildlife connectivity projects.

While a majority of this success can be attributed to our membership and community support, we would not be able to operate as efficient of an organization without the commercial air service available to our region at the Southwest Wyoming Regional Airport. Having reliable and affordable air service in our backyard allows us to engage with our Congressional Delegation, Department of Interior, and BLM Leadership to protect recreational landscapes and mule deer migration corridors.

It also allows us to successfully carry out our “Putting the ‘U’ in Hunt” efforts that create exciting hunting expeditions for youth with life-threatening illnesses. These efforts bring youth and their families into our region from all over the country. The airport’s commercial terminal serves as the first and last impression that these visitors have to our community and state. The current facility is woefully undersized and does not provide a good representation of all that Southwest Wyoming has to offer.

As our community struggles through some of the worst economic conditions we have ever seen, strategic investments in our future are critical. Improving the Commercial Terminal will improve one of only a couple gateways to our region and position us for return visits and future economic vitality.

Our mission at Muley Fanatic Foundation is critical to our region and the Commercial Terminal Modernization Program is critical to our success. We ask you support the Airport Board’s grant application.

Joshua W.D. Coursey, President/CEO

Muley Fanatic Foundation
5 East Railroad Avenue
Green River, WY 82935

307-875-3133 Office

muleyfanatic.org



To Enhance the Quality of Business and Community

October 20, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Re: SW WY Regional Airport Commercial Terminal Modernization Program

Dear Board of Directors,

As the Southwest Wyoming Regional Airport enters its final stages of design on the long awaited **Commercial Terminal Modernization Program** the Rock Springs Chamber of Commerce reiterates our support of the program and asks that the application for a **Business Ready Community Grant (BCRG)** be approved.

If approved, the application, submitted by the Rock Springs-Sweetwater County Airport Board, will provide funding to renovate and expand a terminal originally built over 4 decades ago. The modernization with significant improvements will facilitate our airport to continue to serve as an attractive gateway to visitors and improve the image that many job recruits, investors, and business developers initially have of our area. This project will have a significant impact on economic development for Southwest Wyoming by providing a favorable first impression for visitors.

Forecasts by the Federal Aviation Administration indicate a steady increase in passenger enplanements over the next several years and the current condition of the terminal is inadequate to accommodate the projected number of travelers.

Southwest Wyoming and the state of Wyoming are experiencing an increase in interest as an attractive place to do business. An up-to-date, appealing airport is a critical component to the efforts of a community in recruiting, expanding, diversifying, and retaining business. The Southwest Wyoming Regional Airport is a principle economic driver for our community and the success of Southwest Wyoming is reliant on the success of the airport.

The Rock Springs Chamber of Commerce Board of Directors, on behalf of its membership, sustains this airport, supports this project, and encourages the Wyoming Business Council to approve this application.

Sincerely,

Rick Lee, CEO
Rock Springs Chamber of Commerce



P: 307.362.3771
F: 307.362.3838



PO Box 398
1897 Dewar Drive
Rock Springs, WY 82901



ceo@rockspringschamber.com
www.rockspringschamber.com



Lisa Herrera
CEO Green River Chamber of Commerce & Visitor Center
1155 West Flaming Gorge Way
Green River, WY 82935
Phone: 307-875-5711 Fax 307-872-6192
office@grchamber.com

October 26th, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Dear Wyoming Business Council Board of Directors,

The Green River of Chamber Board of Directors fully supports the Business Ready Community Readiness Grant for the SW WY Regional Airport Commercial Terminal Modernization Program. The goal of this project expansion in bringing significant improvements to the Southwest Wyoming Regional Airport Commercial Terminal will in turn provide key opportunities for Sweetwater County, the surrounding communities and region. The airport is a crucial and vital infrastructure that makes our communities healthy, by providing services that will affect nearly every industry, attract new investors, bring in tourism as well as countless effects too numerous to mention.

The tourism industry is extremely important to Sweetwater County, to our local economy and to the Green River Chamber and Visitor Center. In 2019, we had 24,187 visitors walk through our doors, which were from all 50 states and 15 different countries. The more visitors coming into the area would increase hotel stays, shopping, restaurant patronage, etc. which in turn brings revenue to the local businesses.

Indeed, future development and expansion is extremely vital to the Chamber's mission to increase economic development and for business retention in Sweetwater County. Considering Green River is the world's largest producer of Trona, the importance of having access to a local airport that possesses amenities, current technology, and pleasant passenger experiences is paramount to business retention and economic development. This will allow current businesses to excel in their efforts as well as attract new businesses and industry to the area.

As a Chamber of Commerce, we believe this expansion is necessary and vital to the area and region, and we support the grant proposal. The Green River Chamber of Commerce Board would appreciate your consideration of this grant application for the SW WY Regional Airport Commercial Terminal Modernization Program.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lisa Herrera", written over a horizontal line.

Lisa Herrera
CEO Green River Chamber of Commerce

Your Business & Community Advocate

October 19, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Dear Board Members,

Please accept this letter of support of the Southwest Wyoming Regional Airport's Commercial Terminal Modernization Program.

This long awaited Commercial Terminal Modernization Program is moving forward with construction planned for 2nd quarter 2021 and is much needed for our community and the entire region. Serving as one of the gateways to our community, the airport often informs a traveler's first and last impression of a city, region or even a country. Sadly, our airport terminal hasn't really received a facelift since the 1970's and leaves visitors to our community underwhelmed, unimpressed and wondering where they are.

This project, first discussed in 2003 shortly after the advent of the Transportation Security Administration, has been a long time coming. It includes the renovation of the existing 16,000 square foot terminal along with an expansion of approximately 15,000 square feet. The renovation and expansion will allow for significant improvements to security screening space and technology, hold room (gate) space, passenger boarding experience (jet bridge), public spaces (ticketing and baggage claim) and overall appearance and service amenities. The airport is key to businesses being able to recruit new employees, attract new investors, and receive just-in-time inventory/supplies.

I often use the Southwest Wyoming Regional Airport and routinely see business travelers and visitors using the facility. While the board and staff of the Southwest Wyoming Regional Airport have done their best with the facility, it is simply not a good representation of our community or our state and no longer efficient. Our community has gone to great lengths to improve our first impressions. Those first impressions matter when we're working to recruit businesses and employees to our community. I encourage you to support the Southwest Wyoming Regional Airport's Commercial Terminal Modernization Program through the Business Ready Community Readiness Grant.

Sincerely,


Chad M. Banks
Manager





November 5, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, WY 82002

Re: SW WY Regional Airport Commercial Terminal Modernization Business Readiness Grant

Dear WBC Board of Directors:

The Green River URA/Main Street Agency is pleased to provide this letter of support for the Business Readiness Grant for the Southwest Wyoming Regional Airport Commercial Terminal Modernization.

The expansion of our airport is an important aspect of economic development in our area. This is the only airport that serves the citizens of Green River and in its current condition, it can be a deterrent for businesses desiring to locate here. It lacks space for the simple amenities that larger airports can accommodate. This leaves a bad impression on businesses that are considering locating to Southwest Wyoming. It can also be off-putting to potential new residents. Gaining new businesses and industry, as well as residents, is the only way for Green River to increase our tax base which is critical to the redevelopment and revitalization of our downtown.

Much like the gateways into our downtowns, the airport serves as a gateway to our communities. Our airport is seeing an increase in travelers which is something we are proud of. We'd like to see this trend continue and the expansion and modernization of the airport will be a key factor in supporting that. Expanding the services provided by the airport will also keep tax dollars in Sweetwater County. Many people travel to our neighboring states for air service, taking their potential spending with them. We rely on sales tax to fund our programs and anything we can do to entice people to stay local is of benefit to us. We are confident this project will make a difference in our communities, giving us more opportunities for the growth and retention of our businesses, as well as increasing our population which is more critical now than ever.

We appreciate your consideration. If you have any questions or would like to discuss anything further, please feel free to contact me.

Sincerely,

Jennie Melvin, Administrator

October 15, 2020

Wyoming Business Council
Board of Directors
214 West 15th St.
Cheyenne, WY 82002

To whom it may concern;

Western Wyoming Community College supports the application of a Business Ready Community Readiness Grant for the Southwest Wyoming Regional Airport's Commercial Terminal Modernization Program.

As the only airport within a 200-mile radius, the modernization project will fulfill a need in the local and adjacent communities by providing significant improvements for security screening space and technology, gate space, construction of a jet bridge, ticketing and baggage claim services for consumers, and overall appearance and service amenities.

As a rural airport, the Southwest Wyoming Regional Airport serves businesses in the area by providing cargo, passenger and general aviation operations, as well as providing affordable flights for area residents. The use of the airport is predicted to increase passenger enplanements by 40,000 each year by 2037. This estimate might be conservative considering that the 2019 figures represented a 56.7% increase over those in 2016.

Western Wyoming Community College uses the Southwest Wyoming Regional Airport for a significant portion of its air travel needs. As all Wyomingites know, it is always a gamble to try to get to Salt Lake City or Denver to embark on travel. The Southwest Wyoming Regional Airport provides a cost-effective alternative to sending our employees and Board members to Utah or Colorado for air travel. Many of Western's international students arrive in Rock Springs via the airport and it serves as their first impression of the area. Providing an enjoyable customer service experience is vital to creating a good first impression.

The same could be said for all travelers coming to the area for the first time. A good first impression to a job candidate is critical when hiring college professionals, especially when we are competing for talent who may be considering other offers. Upgrades to the airport will add value to that end.

In conclusion, I personally believe awarding this grant will benefit the community, the surrounding areas and the state as whole.

Respectfully,



Kim Kuster Dale, Ph.D.
President

KKD:krf



**SWEETWATER COUNTY
SCHOOL DISTRICT #1**

*Kelly McGovern, Ed.S.
Superintendent of Schools*

*Carol Jelaco
Chairman of the Board*

*Stephanie Thompson
Vice-Chairman*

*Max Mickelson
Clerk*

*Matthew Jackman
Treasurer*

*Trustees
John Bettolo
Leonard W. Hay
George Reedy*

October 29, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, Wyoming 82002

Dear Board of Directors,

Sweetwater County School District Number One (Rock Springs, WY) is in full support of the Rock Springs-Sweetwater County Airport Board's work toward the Business Ready Community Readiness Grant to assist in modernizing the SW WY Regional Airport.

As a customer at the SW WY Regional Airport, I have been impressed with the volume of other passengers that utilize the airport. For people in our community its easy access and proximity to our community is vital for community development and growth in the 21st Century.

The value of updating the facility will help us to better recruit educators to our schools. We employ over 1100 staff and in the next five years, we foresee a large number of our staff retiring from their positions. This void will require us to do extensive searches to fill our positions. We all know that you only have one chance to make a good first impression. The SW WY Regional Airport is often our "first impression". Renovating the facility will be a positive step to enlisting talented people to our schools and community.

If I can be of any further assistance on behalf of the Rock Springs-Sweetwater County Airport Board, do not hesitate to let me know.

Respectfully,

Kelly McGovern
Superintendent of Schools



351 Monroe Avenue
Phone: 307-872-5500
www.swcsd2.org

Green River, WY 82935
Fax: 307-872-5518

October 14, 2020

Wyoming Business Council Board of Directors
214 West 15th Street
Cheyenne, Wyoming 82002

Dear Board of Directors,

Sweetwater County School District #2 (Green River, WY) is in full support of the Rock Springs-Sweetwater County Airport Board's work toward the Business Ready Community Readiness Grant to assist in modernizing the SW WY Regional Airport.

As a customer at the SW WY Regional Airport, I have been impressed with the volume of other passengers that utilize the airport. For people in our community its easy access and proximity to our community is vital for community development and growth in the 21st Century.

The value of updating the facility will help us to better recruit educators to our schools. We employ over 500 staff and in the next five years, we foresee a large number of our staff retiring from their positions. This void will require us to do extensive searches to fill our positions. We all know that you only have one chance to make a good first impression. The SW WY Regional Airport is often our "first impression". Renovating the facility will be a positive step to enlisting talented people to our schools and community.

If I can be of any further assistance on behalf of the Rock Springs-Sweetwater County Airport Board, do not hesitate to let me know.

Sincerely,

Craig Barringer, Superintendent
Sweetwater County School District #2

