

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

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2021

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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, 2021, 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, 2021, 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 Management's Discussion and Analysis on pages 3 through 10, the Budgetary Comparison Schedules and Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures for the General Fund, Economic Development Fund, and Rural Rehabilitation Fund on pages 39 through 42, the Schedule of the Business Council's Proportionate Share of the Net Pension Liability on page 43, the Schedule of the Business Council's Contributions on page 44, the Schedule of the Business Council's Proportionate Share of the Total OPEB Liability on page 45, and the Notes to Required Supplementary Information on pages 46 and 47 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 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 May 6, 2022 on our consideration of the Business Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Business Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Business Council's internal control over financial reporting and compliance.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
May 6, 2022

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 (the State), presents our discussion and analysis of the Business Council's financial performance during the fiscal years that ended June 30, 2021 and 2020.

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, 2021 by \$59.8 million, an increase of \$508 thousand from the previous year.

Governmental Fund Financial Statements

- As of June 30, 2021, the Business Council's governmental funds reported combined fund balances of \$66.2 million, an increase of \$620 thousand 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 funds 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 11 through 13.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds Financial Statements

The governmental funds 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 funds financial statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements. The governmental funds financial statements focus on information about the Business Council's short-term inflows, outflows, and balances of spendable resources. The governmental funds 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 nonmajor 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 funds financial statements are presented on pages 14 through 17.

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 governmental funds financial statements. The notes are presented on pages 18 through 38.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

The required supplementary information presents Budgetary Comparison Schedules for the Business Council's General Fund and each of its major governmental funds. The schedules 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 the 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 39 through 47.

Supplementary Information

The combining funds statements provide information for nonmajor governmental funds and are presented immediately following the required supplementary information. Combining funds statements are presented on pages 48 and 49.

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 \$59.8 million, which represents an investment of \$10,808 in capital assets, \$53.4 million in restricted net position (economic development and rural rehabilitation), and \$6.3 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 \$508 thousand because of offsetting increases and decreases in certain accounts during the current fiscal year. The Business Council's current assets and current liabilities decreased from the previous fiscal year primarily due to the relationship of cash and accounts payable in the General Fund and COVID Fund (see Note 1 to the financial statements). The Business Council had significantly higher accounts payable in the previous fiscal year due to COVID relief payments the Business Council distributed during the summer and fall of 2020 that were payable as of June 30, 2020. The Business Council experienced offsetting increases in its deferred outflows of resources and its noncurrent liabilities due to the changes in the Business Council's proportionate share of the State of Wyoming's pension and other postemployment benefits commitments (see Notes 6 and 7 to the financial statements).

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

STATEMENTS OF NET POSITION CONDENSED

	2021	2020*
ASSETS		
Current assets	\$ 56,266,332	\$ 90,513,508
Noncurrent assets:		
Loans receivable	24,015,664	24,048,916
Capital assets	46,758	108,828
Total assets	\$ 80,328,754	\$ 114,671,252
 DEFERRED OUTFLOWS OF RESOURCES	 \$ 2,162,005	 \$ 1,527,130
 LIABILITIES		
Current liabilities	\$ 14,136,718	\$ 49,061,167
Noncurrent liabilities	7,001,364	6,292,097
Total liabilities	\$ 21,138,082	\$ 55,353,264
 DEFERRED INFLOWS OF RESOURCES	 \$ 1,553,654	 \$ 1,554,570
 NET POSITION		
Net investment in capital assets	\$ 10,808	\$ 60,175
Restricted for economic development	48,711,505	48,417,649
Restricted for rural rehabilitation	4,730,265	4,809,082
Restricted for residential relending	-	1,287,260
Unrestricted	6,346,445	4,716,382
Total net position	\$ 59,799,023	\$ 59,290,548

* Balances presented as of June 30, 2021 were revised to include cash and investments with trustee and liability under security lending, with no impact on net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities

Net position increased by \$508 thousand during the current fiscal year. The Business Council received a large revenue recapture payment during the current fiscal year that increased net position. This increase was offset by the transfer of the State Energy Program to the Wyoming Energy Authority, pursuant to 2019 Session Laws Chapter 0034. The transfer was effective July 1, 2020.

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

STATEMENTS OF ACTIVITIES CONDENSED

	2021	2020
Revenues		
Program revenues	\$ 427,922,674	\$ 68,445,568
General revenues	17,236,634	23,019,468
Total revenues	445,159,308	91,465,036
Expenses		
Operations	2,248,644	2,537,715
Services	429,589,719	70,058,645
Investments	12,091,709	14,289,299
Regional offices	720,761	873,284
Total expenses	444,650,833	87,758,943
Change in net position	508,475	3,706,093
Net Position, beginning	59,290,548	55,584,455
Net Position, ending	<u>\$ 59,799,023</u>	<u>\$ 59,290,548</u>

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The Business Council's activities are reflected in its General Fund, Economic Development Fund, Rural Rehabilitation Fund, COVID Fund, 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, 2021, the Business Council's governmental funds reported combined ending fund balances of \$66.2 million, an increase of \$620 thousand from the previous year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$12.5 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 \$1.7 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 \$294 thousand, 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 decreased by \$1.4 million, which mostly consists of a fund balance transfer of the ARRA Revolving Loan Fund to the Wyoming Energy Authority, pursuant to 2019 Session Laws Chapter 0034. The transfer was effective July 1, 2020.

Revenues and Expenditures

The following statements present current fiscal year revenues and expenditures compared to the prior year:

STATEMENTS OF REVENUES AND EXPENDITURES GOVERNMENTAL FUNDS

	2021		2020		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	%
Revenues						
Revenue from primary government	\$ 442,325,155	99.07%	\$ 85,691,538	93.69%	\$ 356,633,617	416.18%
Federal revenue	1,785,701	0.40%	2,920,566	3.19%	(1,134,865)	-38.86%
Investment income, net	427,947	0.10%	2,589,838	2.83%	(2,161,891)	-83.48%
Revenue from others	1,908,147	0.43%	184,903	0.20%	1,723,244	931.97%
Charges for sales and services	2,282	0.00%	78,189	0.09%	(75,907)	-97.08%
Total revenues	\$ 446,449,232	100.00%	\$ 91,465,034	100.00%	\$ 354,984,198	388.11%
Expenditures						
Operations	\$ 2,226,666	0.50%	\$ 2,365,079	2.71%	\$ (138,413)	-5.85%
Services	429,557,270	96.62%	69,986,774	80.10%	359,570,496	513.77%
Investments	12,074,609	2.72%	14,212,434	16.26%	(2,137,825)	-15.04%
Regional offices	707,745	0.16%	814,804	0.93%	(107,059)	-13.14%
Total expenditures	\$ 444,566,290	100.00%	\$ 87,379,091	100.00%	\$ 357,187,199	408.78%

Revenues for governmental activities were \$446.4 million for fiscal year 2021, an increase of 388.11% from the previous year. Revenues from primary government increased \$356.6 million, primarily due to the receipt of \$426.1 million as a subrecipient of the State's Coronavirus Aid, Relief, and Economic Security Act grant. Revenues from investment income decreased \$2.2 million from the previous fiscal year, primarily due to decreases in the fair value of investments held within the State Treasurer's Office.

Expenditures for governmental activities were \$444.6 million for the current fiscal year, an increase of 408.78% from fiscal year 2020. This increase is primarily due to expenditures of \$426.1 million in business relief grants as part of the Business Council's Business Relief, Connect Wyoming, Agricultural Relief, and Energy Rebound Programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS ACTIVITY

The Business Council's investment in capital assets for its governmental activities as of June 30, 2021 amounted to \$46,758, net of accumulated depreciation of \$588,327. This investment in capital assets includes 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 \$35,950. The \$62,070 decrease in net capital assets from the previous year is due to \$34,984 in depreciation expense and the disposal of capital assets with a net value of \$27,086, which included a donation of a building to the Wyoming State Fair Board.

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, respectively.

SCHEDULE OF CAPITAL ASSETS (net of depreciation)

	2021	2020
Building	\$ -	\$ 28,291
Lease improvements	-	504
Capitalized leases - equipment	34,422	47,415
Furniture, fixtures, and equipment	4,093	10,569
Intangible assets	8,243	22,049
Total	\$ 46,758	\$ 108,828

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 expenditures of current-year investment income.

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 statewide budget reductions for the 2021 biennium that began in fiscal year 2021. In August 2020, the Business Council's budget reductions were implemented with a 10% reduction to the Business Council's 2021/2022 general fund biennium budget. The budget reduction was formalized by the Wyoming Legislature during the 2021 General Legislative Session.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 improve broadband services across the State.

In May 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 first phase of the Program was launched in June 2020. The second and third phases were launched in the fall of 2020. The Business Council was awarded an additional \$221.5 million in the first half of fiscal year 2021 for additional COVID assistance programs, including Connect Wyoming for State broadband assistance, an agriculture producer relief program, and the Energy Rebound Program for oil and gas assistance. During fiscal year 2021, the Business Council had total expenditures of \$426.1 million for all COVID relief programs.

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, 2021

ASSETS

Current Assets

Deposits with State Treasurer	\$ 42,872,644
Deposits in bank	2,276
Cash and investments with trustee	8,570,047
Accounts receivable	456,465
Interest receivable	379,551
Due from primary government	13,896
Due from Federal government	1,224,255
Loans receivable, net	2,747,198
Total current assets	<u>56,266,332</u>

Noncurrent Assets

Loans receivable, net	24,015,664
Capital assets, net of accumulated depreciation:	
Capitalized leases - equipment	34,422
Furniture, fixtures, and equipment	4,093
Intangibles	8,243
Total noncurrent assets	<u>24,062,422</u>
Total assets	<u>80,328,754</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension-Related Outflows	196,206
OPEB-Related Outflows	1,965,799
Total deferred outflows of resources	<u>2,162,005</u>

Continued

WYOMING BUSINESS COUNCIL

STATEMENT OF NET POSITION, *Continued*
June 30, 2021

LIABILITIES

Current Liabilities

Accounts payable	\$ 4,189,206
Liability under securities lending	8,570,047
Due to primary government	1,304,555
Compensated absences payable	59,790
Capital leases payable	13,120
Total current liabilities	<u>14,136,718</u>

Noncurrent Liabilities

Capital leases payable	22,830
Net pension liability	3,091,804
Total OPEB liability	<u>3,886,730</u>
Total noncurrent liabilities	<u>7,001,364</u>
Total liabilities	<u>21,138,082</u>

DEFERRED INFLOWS OF RESOURCES

Pension-Related Inflows	935,132
OPEB-Related Inflows	<u>618,522</u>
Total deferred inflows of resources	<u>1,553,654</u>

NET POSITION

Net Investment in Capital Assets	10,808
Restricted for Economic Development	48,711,505
Restricted for Rural Rehabilitation	4,730,265
Unrestricted	<u>6,346,445</u>
Total net position	<u>\$ 59,799,023</u>

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Sales and Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities				
Operations	\$ 2,248,644	\$ -	\$ -	\$ (2,248,644)
Services	429,589,719	2,282	426,134,691	(3,452,746)
Regional offices	720,761	-	-	(720,761)
Investments	12,091,709	-	1,785,701	(10,306,008)
Total	\$ 444,650,833	\$ 2,282	\$ 427,920,392	(16,728,159)
General Revenues				
				16,190,464
Appropriation from primary government				427,947
Investment income				1,881,061
Other				(1,262,838)
Special Item - Loss on Disposal of SEP				<u>17,236,634</u>
Total general revenues and transfers				508,475
Change in net position				
				<u>59,290,548</u>
Net Position, beginning				
				<u>\$ 59,799,023</u>

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Economic Development Fund	Rural Rehabilitation Fund	COVID Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Deposits with State Treasurer	\$ 3,521,324	\$ 34,336,029	\$ 4,759,758	\$ 3,931	\$ 251,602	\$ 42,872,644
Deposits in Bank	2,276	-	-	-	-	2,276
Cash and Investments with Trustee	943	7,476,700	1,037,737	-	54,667	8,570,047
Accounts Receivable	50	398,230	55,273	-	2,912	456,465
Interest Receivable	53,521	315,367	10,130	-	533	379,551
Due from Primary Government	13,896	-	-	-	-	13,896
Due from Federal Government	1,224,255	-	-	-	-	1,224,255
Loans Receivable, net	12,535,862	14,227,000	-	-	-	26,762,862
Total assets	\$ 17,352,127	\$ 56,753,326	\$ 5,862,898	\$ 3,931	\$ 309,714	\$ 80,281,996
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 3,520,511	\$ 565,121	\$ 94,896	\$ 3,931	\$ 4,747	\$ 4,189,206
Liability under securities lending	943	7,476,700	1,037,737	-	54,667	8,570,047
Due to primary government	1,293,948	-	-	-	10,607	1,304,555
Compensated absences payable	818	-	-	-	-	818
Total liabilities	4,816,220	8,041,821	1,132,633	3,931	70,021	14,064,626
Fund Balances						
Nonspendable:						
Loans receivable and other	12,535,862	14,227,000	-	-	-	26,762,862
Restricted	45	-	4,730,265	-	-	4,730,310
Committed	-	34,484,505	-	-	-	34,484,505
Assigned	-	-	-	-	239,693	239,693
Total fund balances	12,535,907	48,711,505	4,730,265	-	239,693	66,217,370
Total liabilities and fund balances	\$ 17,352,127	\$ 56,753,326	\$ 5,862,898	\$ 3,931	\$ 309,714	\$ 80,281,996

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2021

Total fund balances - governmental funds \$ 66,217,370

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:

Leasehold improvements	16,199	
Capitalized leases, net of related capital leases payable	29,014	
Furniture, fixtures, and equipment	118,296	
Intangibles	435,626	
Accumulated depreciation	(588,327)	
Total capital assets, net of capital leases payable	<u>10,808</u>	10,808

Deferred outflows of resources that are not available for the
current-period expenditures and are not reported in the
governmental funds 2,162,005

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	(58,972)	
Net pension liability	(3,091,804)	
Total OPEB liability	(3,886,730)	
Deferred inflows of resources	(1,553,654)	
Total liabilities and deferred inflows of resources	<u>(8,591,160)</u>	(8,591,160)

Net position of governmental activities \$ 59,799,023

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2021**

	General Fund	Economic Development Fund	Rural Rehabilitation Fund	COVID Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Revenue from primary government	\$ 16,190,464	\$ -	\$ -	\$ 426,134,691	\$ -	\$ 442,325,155
Federal revenue	1,785,701	-	-	-	-	1,785,701
Investment income	93,770	377,284	(17,693)	-	(25,414)	427,947
Revenue from others	1,908,147	-	-	-	-	1,908,147
Charges for sales and services	2,282	-	-	-	-	2,282
Total revenues	19,980,364	377,284	(17,693)	426,134,691	(25,414)	446,449,232
Expenditures						
Operations	2,226,043	-	-	-	623	2,226,666
Services	3,355,336	-	61,124	426,134,691	6,119	429,557,270
Investments	11,991,181	83,428	-	-	-	12,074,609
Regional offices	707,745	-	-	-	-	707,745
Total expenditures	18,280,305	83,428	61,124	426,134,691	6,742	444,566,290
Excess (deficiency) of revenues over (under) expenditures	1,700,059	293,856	(78,817)	-	(32,156)	1,882,942
Special Item - Loss on Disposal of SEP	-	-	-	-	(1,262,838)	(1,262,838)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	2,282	2,282
Transfers out	(2,282)	-	-	-	-	(2,282)
Total other financing sources (uses)	(2,282)	-	-	-	2,282	-
Net change in fund balances	1,697,777	293,856	(78,817)	-	(1,292,712)	620,104
Fund Balances, beginning	10,838,130	48,417,649	4,809,082	-	1,532,405	65,597,266
Fund Balances, ending	\$ 12,535,907	\$ 48,711,505	\$ 4,730,265	\$ -	\$ 239,693	\$ 66,217,370

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, 2021**

Net change in fund balances - total governmental funds		\$	620,104
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	(34,984)		
Loss on disposal of capital assets	<u>(27,086)</u>		
			(62,070)
Principal payments on capital lease obligations are an expenditure in governmental funds, but the repayment is a reduction of long-term liabilities in the Statement of Net Position			12,703
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	24,334		
Other postemployment expense, net of amortization	(263,686)		
Change in defined benefit net pension liability and pension-related inflows and outflows	<u>177,090</u>		
			<u>(62,262)</u>
Change in net position of governmental activities		\$	<u><u>508,475</u></u>

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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 (U.S. 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.

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 of Wyoming (the State) and is operated for the benefit of the public. It is governed by a Board of Directors, consisting of 13 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.

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.

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 nonmajor funds. The Business Council reports the following major governmental funds:

General Fund: Serves as 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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, *Continued*

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, 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 Statutes 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 Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Basis of accounting:

Government-wide financial statements: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds 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. The Business Council considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. All revenues are considered to be susceptible to accrual. 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 funds 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.

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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, *Continued*

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.

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.

Securities lending collateral: Securities on loan for cash collateral are reported in the Balance Sheet as cash and investments with Trustee. Liabilities resulting from the security lending transactions are also reported. Wyoming State Statutes permit the State Treasurer to lend its securities, through the use of agents, to broker-dealers and other entities with simultaneous agreement to return the collateral for the same securities in the future. The State's agents lend securities of the type on loan at year-end for collateral in the form of cash or other securities at 100% of value for U.S. Treasury Strips and U.S. Treasury Bills and 102% of value for other securities. The State, through its agents, measures the fair value of the securities loaned against the fair value of the collateral on a daily basis. Additional collateral is obtained as necessary to ensure such transactions are adequately collateralized. Securities lent for securities collateral are classified according to the category of the collateral. At year-end, the State has no credit risk exposure to borrowers because the amounts the State owes the borrowers exceed the amounts the borrowers owe the State. The contract with the State's agent requires the agent to indemnify the State if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the State for income distributions by the securities' issuers while the securities are on loan. Additional information relating to the securities lending transactions as of June 30, 2021 can be obtained from the State of Wyoming's Annual Comprehensive Financial Report.

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

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, *Continued*

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 non-accrual status at an earlier date if collection of principal or interest in full is not expected.

The interest on non-accrual 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 the assessment of the likelihood of reimbursement on defaulted loans.

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:

Buildings	25 years
Leasehold improvements	7 years
Furniture, fixtures, and equipment	3-14 years
Intangible assets	3-5 years

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

The intangible assets of the Business Council at June 30, 2021 are computer software and website development costs, which were capitalized in accordance with Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. A capital asset is classified as intangible if: (1) it lacks physical substance, (2) it is not in a monetary form similar to cash or investment securities, does not represent a claim or right to assets in a monetary form similar to receivables, and is not a prepayment for goods or services, and (3) it has an initial useful life that extends beyond a single reporting period.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, *Continued*

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 cannot 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 carry over 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.

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 of project completion. 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, 2021.

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.

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.

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 Employee 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.

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.

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

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, *Continued*

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.

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.

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, 2021 are presented as follows:

	Fair Value	Percentage
Investment type:		
Fixed-income investments	\$ 42,872,644	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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits with State Treasurer, *Continued*

Detailed information regarding the State of Wyoming's investment pool is reported in the State of Wyoming's Annual Comprehensive 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 4.5% and have varying maturity dates through 2050; collateral includes personal guarantees, mortgages on real estate, and liens on receivables, inventory, furniture, equipment, and crops. At June 30, 2021, loans receivable included outstanding loans to two major loan customers totaling \$8,000,000, which comprised approximately 27.84% of gross loans receivable as of that date. One loan in the amount of \$83,600 was charged off during the year ended June 30, 2021. Loans receivable as of June 30, 2021 are as follows:

	Loan Type	Gross Balance	Allowance	Net Balance
General Fund	Business Ready Community	\$ 12,535,862	\$ -	\$ 12,535,862
Economic Development Fund	Amendment IV	183,775	183,775	-
Economic Development Fund	Economic Disaster	9,298,106	1,610,715	7,687,391
Economic Development Fund	Bridge	1,521,040	81,012	1,440,028
Economic Development Fund	Natural Gas Infrastructure	199,581	-	199,581
Economic Development Fund	Other	5,000,000	100,000	4,900,000
		<u>\$ 28,738,364</u>	<u>\$ 1,975,502</u>	<u>\$ 26,762,862</u>

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets

Capital asset activity in the government-wide financial statements for the year ended June 30, 2021 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	-	(178,321)	118,296
Intangible assets	435,626	-	-	435,626
Total capital assets being depreciated	857,306	-	(222,221)	635,085
Less accumulated depreciation:				
Buildings	(15,609)	(1,205)	16,814	-
Leasehold improvements	(15,695)	(504)	-	(16,199)
Capitalized leases - equipment	(17,549)	(12,993)	-	(30,542)
Furniture, fixtures, and equipment	(286,048)	(6,476)	178,321	(114,203)
Intangible assets	(413,577)	(13,806)	-	(427,383)
Total accumulated depreciation	(748,478)	(34,984)	195,135	(588,327)
Capital assets, net	\$ 108,828	\$ (34,984)	\$ (27,086)	\$ 46,758

Depreciation expense was charged to governmental functions, as follows:

Operations	\$ 13,666
Investments	7,106
Services	8,746
Regional offices	5,466
	<u>34,984</u>
	<u>\$ 34,984</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 June 2024.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 5. Lease Obligations, *Continued*

Operating leases: Expenditures on operating leases are recognized as incurred. Total rent expense for these operating leases for the year ended June 30, 2021 was \$180,657. Future minimum lease payments for operating leases are as follows:

Years ending June 30:		
2022	\$	160,282
2023		15,360
2024		<u>6,000</u>
Total minimum payments	\$	<u>181,642</u>

Capital leases: The gross amount of assets recorded under capital leases as of June 30, 2021 was \$64,964, with accumulated depreciation of \$30,542. During the year ended June 30, 2021, principal payments of \$12,703 were paid. Future minimum lease payments for capital leases are as follows:

Years ending June 30:		
2022	\$	14,089
2023		14,089
2024		<u>9,393</u>
		37,571
Less interest		<u>(1,621)</u>
Present value of lease payments	\$	<u>35,950</u>

Note 6. Retirement Commitment - WRS

Plan description: Substantially all employees of the Business Council, excluding seasonal employees, are provided with pensions through the Public Employee Pension Plan, a statewide cost-sharing multiple-employer defined benefit pension plan administered by the WRS. The authority to establish and amend benefits and contribution rates rests with the Legislature of the State of Wyoming. The WRS is granted the authority to administer the plan by Wyoming State Statutes 9-3-401 through 432. The WRS issues a publicly available financial report that may be requested from the WRS or through the WRS website, which may be accessed at [https://retirement.wyo.gov/About/ Reports?Label=Financial#categories](https://retirement.wyo.gov/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 salary over 15 years.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Commitment - WRS, *Continued*

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, effective July 1, 2020, member and employer contributions were required to be 9.00% and 9.12% of compensation, respectively. 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, in addition to the employer’s contribution. Total member and employer contributions to the pension plan from the Business Council were \$368,191.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2021, the Business Council reported a liability of \$3,091,804 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The 2020 actuarial valuation incorporates changes adopted by the WRS Board effective August 23, 2017. The Business Council’s proportion of the net pension liability was based on the relationship of the Business Council’s total contributions to the plan for the year ended December 31, 2020 to the contributions of all participating employers for the same period. At December 31, 2020, the Business Council’s proportion was 0.1422591926%, which was a decrease from its December 31, 2019 proportion of 0.1474092413%.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Commitment - WRS, *Continued*

For the year ended June 30, 2021, the Business Council recognized pension expense of \$54,476. At June 30, 2021, 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	\$ 58,754	\$ 26,885
Net difference between projected and actual earnings on pension plan investments	-	677,846
Changes in proportionate share of contributions	6,051	230,401
Contributions subsequent to measurement date	112,199	-
Changes in assumptions	19,202	-
	<u>\$ 196,206</u>	<u>\$ 935,132</u>

An amount of \$112,199 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 ending June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense, as follows:

Years ending June 30:	
2022	\$ (322,855)
2023	(137,822)
2024	(313,356)
2025	<u>(77,092)</u>
	<u>\$ (851,125)</u>

Actuarial assumptions: The total pension liability in the January 1, 2020 actuarial 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

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Commitment - WRS, *Continued*

Post-Retirement Mortality Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2017.

Pre-Retirement Mortality Mortality rates were based on the RP-2014 Employee Mortality Tables for Males or Females, as appropriate, with adjustments 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 as of January 1, 2020. 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%	-1.00%	-1.00%
Fixed income	21.00%	1.00%	1.34%
Equity	48.50%	5.23%	7.34%
Marketable alternatives	19.00%	3.47%	4.50%
Private real assets	9.50%	4.53%	5.82%
	100.00%		

Experience analysis: An experience study was conducted on behalf of all WRS 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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Commitment - WRS, *Continued*

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 one-percentage-point lower (6.00%) or one-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	\$ 5,050,688	\$ 3,091,804	\$ 1,917,752

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 <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Note 7. 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 Employee Group Insurance Retiree Health Plan (the Plan), a 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 WRS or Teachers Insurance and Annuity Association of America 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 WRS. The Public Employee 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 Annual Comprehensive 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 the 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.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

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, 2021, the Business Council reported a liability of \$3,886,730 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2021. The Business Council's proportion of the collective total OPEB liability was based on a projection of the Business Council's expected benefit payments during the measurement period attributable to retirees of the Business Council relative to the expected benefit payments during the measurement period attributable to all retirees of the Plan, actuarially determined. The projection of the sharing of benefit-related costs is based on an established pattern of practice. At June 30, 2021, the Business Council's proportion was 0.29746%, which was an increase from its June 30, 2020 proportion of 0.29515%.

For the year ended June 30, 2021, the Business Council recognized OPEB expense of \$263,686. At June 30, 2021, 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	\$ 463,119	\$ 340,061
Changes of assumptions	832,217	278,461
Expected payments subsequent to measurement date	58,217	-
Change in proportionate share of expected payments	612,246	-
	<u>\$ 1,965,799</u>	<u>\$ 618,522</u>

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

An amount of \$58,217 reported as deferred outflows of resources related to OPEB resulting from the Business Council's benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022. 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:

Years ending June 30:	
2022	\$ 162,234
2023	162,234
2024	162,234
2025	162,234
2026	162,234
Thereafter	<u>477,890</u>
	<u>\$ 1,289,060</u>

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2020 (based on July 1, 2019 census data)
Inflation	2.25%
Salary Increases	2.50%-6.50%
Mortality Rates	Pre-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017. Post-Termination: RP-2014 Combined, 100% male, 88% female, generational projection using MP-2017. Disabled: RP-2014 Combined, 100% male, 100% female, generational projection using MP-2017.
Healthcare Cost Trend Rates	Pre-Medicare: 7.20%, decreasing annually until reaching the ultimate trend rate of 4.50%. Medicare: 7.60%, decreasing annually until reaching the ultimate trend rate of 4.50%.
Participation Rate	65% will elect coverage and 30% will cover a spouse.
Spouse Age Differential	Males are assumed to be three years older than females.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

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 the 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 healthcare trend rate assumption was based on national average information from a variety of sources, including the Standard & Poor’s Healthcare Economic Index, Non-Highly Compensated Employee data, plan renewal data and vendor prescription reports, 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 ended December 31, 2016. Significant assumptions varied within the various retirement plans within the WRS.

Discount rate: The discount rate used to measure the total OPEB liability was 2.21%, which represents a decrease from the discount rate of 3.51% utilized for the June 30, 2019 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 2.21%, 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 one-percentage-point lower or one-percentage-point higher than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Proportionate share of the collective total OPEB liability	\$ 4,845,179	\$ 3,886,730	\$ 3,164,060
	\$ 4,845,179	\$ 3,886,730	\$ 3,164,060

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 7. OPEB Commitment, *Continued*

Sensitivity of the Business Council's proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rates: The table below 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 one-percentage-point lower or one-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	\$ 3,187,775	\$ 3,886,730	\$ 4,853,560

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 year ended June 30, 2021 totaled \$7,660.

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 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, 2021.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 9. Risk Management, *Continued*

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, 2021, the Business Council contributed up to \$955, \$1,453, \$1,907 and \$2,185 (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 toward 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, 2021 were \$833,715.

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, 2021, the Business Council's contributions to the Workers' Compensation Fund were \$25,902.

Unemployment compensation: The Business Council does not carry unemployment insurance but pays the cost of actual claims incurred. For the year ended June 30, 2021, the Business Council paid \$22,906 in unemployment claims.

Note 10. Transactions with Related Parties and Disposal of Operations

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, 2021 were \$114,394.

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, 2021 was \$78,000.

The Business Council has entered into several agreements with the University of Wyoming (UW) to fund various sponsorships, in addition to various projects that 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, 2021 were \$1,991,872, of which \$403,516 is included in accounts payable as of June 30, 2021. The Business Council is committed for amounts remaining under these agreements in the amount of \$15,216 as of June 30, 2021.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 10. Transactions with Related Parties and Disposal of Operations, *Continued*

The Business Council, together with the Wyoming Department of Environmental Quality (DEQ), operates a Federal award from the Environmental Protection Agency for the Brownfield Revolving Loan Program. The Business Council and DEQ have a memorandum of understanding in place for the 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.

The Business Council was awarded a \$21,250 Federal subgrant from the Wyoming Department of Agriculture to provide funding for farm walls in various communities across the State of Wyoming. For the year ended June 30, 2021, the Business Council expended \$13,368 and was reimbursed the same amount by the Wyoming Department of Agriculture. Of this amount, \$4,333 is included in accounts payable and \$8,558 is included in due from Federal government.

The Business Council, together with the State of Wyoming Governor's Office and the Wyoming Department of Workforce Services, entered into a contract with Economic Modeling, LLC (EMSI) for EMSI to perform a Program Demand Gap Analysis and a Skills Need Analysis for the State of Wyoming. During fiscal year 2021, the Department of Workforce Services reimbursed the Business Council \$37,500 for its portion of the contract. The State of Wyoming Governor's Office transferred funding to the Business Council in the form of spending authority for this contract.

The Business Council entered into an agreement with the Wyoming Department of Workforce Services and the Wyoming Office of Tourism to provide a media campaign for business and workforce recruitment. The Business Council paid the Wyoming Office of Tourism \$33,000 under the agreement.

On July 1, 2020, the Business Council transferred the assets comprising its State Energy Program (SEP) to the Wyoming Energy Authority (WEA) for the purpose of administering the Federal program. As a result of the transfer, the Business Council recognized a loss of approximately \$1.3 million on the disposal of the SEP as a special item.

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, 2021 totaled \$5,452,454. These will be funded by a combination of State appropriations and restricted net position.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 11. Commitments and Contingencies, *Continued*

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 approximately \$34 million as of June 30, 2021. These commitments will be funded by a combination of restricted/committed fund balance and current- and prior-year State appropriations and Federal revenues.

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 CARES Act provided significant funding 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. Due to program demand, the Business Council was awarded an additional \$75 million of funding to the Business Relief Program. Total grants awarded under the Business Council's Business Relief Program as of June 30, 2021 was \$379,247,307.

During the year ended June 30, 2021, the Business Council was appropriated \$30 million of CARES Act funding for its Energy Rebound Program to provide COVID assistance to oil and gas producers. Total grants awarded under the Business Council's Energy Rebound Program as of June 30, 2021 was \$28,704,241.

During the year ended June 30, 2021, the Business Council was appropriated \$90 million of CARES Act funding for an agriculture producer relief program. As of June 30, 2021, \$34.6 million of total grants were awarded. The remaining \$55.4 million was reverted to the Governor's Office to be used for COVID relief across the State.

During the year ended June 30, 2021, the Business Council was appropriated \$100 million of CARES Act funding for broadband projects. In August 2020, the Business Council awarded 33 contracts for \$56 million, with a project deadline of December 30, 2020. As of June 30, 2021, the Business Council expended \$48.4 million, and the remaining \$51.6 million of the \$100 million allocation was reverted to the Governor's Office to be deployed for other CARES Act expenditures across the State. Subsequent to June 30, 2021, the Business Council was awarded and expended an additional \$200,000 for the purpose of continuing the Connect Wyoming program for State broadband assistance.

Due to the ongoing COVID-19 pandemic, the American Rescue Plan Act of 2021 (ARPA) was passed by the U.S. Congress and signed into law. Under ARPA, the State of Wyoming was given \$1 billion to assist in economic recovery and continuing COVID expenses. Of this funding, the Business Council has been allocated \$3.15 million for broadband initiatives and a Growth Diagnostics and Capability Building project.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 13. Subsequent Events

The Business Council has entered into various agreements subsequent to June 30, 2021, primarily with local governments, for economic development infrastructure projects effective through December 31, 2026. These agreements are valued at up to but no more than \$5,084,146. These agreements will be funded by a combination of State appropriations and Federal revenues.

Subsequent to June 30, 2021, one loan that had been approved prior to June 30, 2021 was increased by \$294,608 under the provisions of the Business-Ready Communities Grant and Loan program. This loan will be distributed out of State appropriations.

In December 2021, the Business Council's Board of Directors approved the write-off of an economic disaster loan held in the Economic Development Fund in the amount of \$484,950. The loan was fully allowed for as of June 30, 2021

On July 1, 2021, the Business Council transferred the Community Development Block Grant to the Wyoming Community Development Authority (WCDA). Projects that were approved by the Business Council's Board of Directors will continue to be funded by the Business Council through the U.S. Department of Housing and Urban Development (HUD). Upon completion of all projects, any remaining funds from HUD will transfer to the WCDA. This will decrease the Business Council's net position by \$1.5 million.

REQUIRED SUPPLEMENTARY INFORMATION

WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON SCHEDULES

Year Ended June 30, 2021

	Budgeted Amounts		General Fund		Total Actual and Encumbrances	Variance with Final Budget
	Original	Final	Actual	Encumbrances		
Revenues						
Revenue from primary government	\$ 21,502,690	\$ 35,770,213	\$ 3,673,902	\$ -	\$ 3,673,902	\$ (32,096,311)
Federal revenue	3,126,462	1,985,125	1,095	-	1,095	(1,984,030)
Investment income	-	-	55,154	-	55,154	55,154
Revenue from others	305,683	117,500	2,808,100	-	2,808,100	2,690,600
Charges for sales and services	-	-	2,500	-	2,500	2,500
Total revenues	24,934,835	37,872,838	6,540,751	-	6,540,751	(31,332,087)
Expenditures						
Operations	6,072,926	5,562,535	4,355,857	214,975	4,570,832	991,703
Services	3,184,710	3,631,027	1,735,926	509,232	2,245,158	1,385,869
Investments	937,199	1,835,000	290,006	899,120	1,189,126	645,874
Investment-ready communities	14,650,000	26,754,276	146,327	15,109,652	15,255,979	11,498,297
Regional offices	90,000	90,000	12,635	-	12,635	77,365
Total expenditures	24,934,835	37,872,838	6,540,751	16,732,979	23,273,730	14,599,108
(Deficiency) excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ (16,732,979)	\$ (16,732,979)	\$ (16,732,979)

Continued

WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON SCHEDULES, *Continued*
Year Ended June 30, 2021

	Budgeted Amounts		Economic Development Fund		Total Actual and Encumbrances	Variance with Final Budget
	Original	Final	Actual	Encumbrances		
Revenues						
Revenue from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal revenue	-	-	-	-	-	-
Investment income	1,140,876	1,140,876	546,613	-	546,613	(594,263)
Revenue from others	-	-	-	-	-	-
Charges for sales and services	-	-	-	-	-	-
Total revenues	1,140,876	1,140,876	546,613	-	546,613	(594,263)
Expenditures						
Operations	-	-	-	-	-	-
Services	-	-	-	-	-	-
Investments	1,140,876	1,140,876	97,551	25,399	122,950	1,017,926
Investment-ready communities	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-
Total expenditures	1,140,876	1,140,876	97,551	25,399	122,950	1,017,926
(Deficiency) excess of revenues over expenditures	\$ -	\$ -	\$ 449,062	\$ (25,399)	\$ 423,663	\$ 423,663

Continued

WYOMING BUSINESS COUNCIL

BUDGETARY COMPARISON SCHEDULES, *Continued*
Year Ended June 30, 2021

	Budgeted Amounts		Rural Rehabilitation Fund		Total Actual and Encumbrances	Variance with Final Budget
	Original	Final	Actual	Encumbrances		
Revenues						
Revenue from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal revenue	-	-	-	-	-	-
Investment income	-	300,000	104,704	-	104,704	(195,296)
Revenue from others	-	-	-	-	-	-
Charges for sales and services	-	-	-	-	-	-
Total revenues	-	300,000	104,704	-	104,704	(195,296)
Expenditures						
Operations	-	-	-	-	-	-
Services	-	300,000	40,857	-	40,857	259,143
Investments	-	-	-	-	-	-
Investment-ready communities	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-
Total expenditures	-	300,000	40,857	-	40,857	259,143
(Deficiency) excess of revenues over expenditures	\$ -	\$ -	\$ 63,847	\$ -	\$ 63,847	\$ 63,847

See Notes to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

**EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY
INFLOWS AND OUTFLOWS AND GAAP REVENUES AND
EXPENDITURES FOR THE GENERAL FUND, ECONOMIC
DEVELOPMENT FUND, AND RURAL REHABILITATION FUND
Year Ended June 30, 2021**

	General Fund	Economic Development Fund	Rural Rehabilitation Fund
Sources/Inflows of Resources			
Actual amounts "available for appropriation" from the Budgetary Comparison Schedules	\$ 6,540,751	\$ 546,613	\$ 104,704
Differences in accrual basis revenues and cash basis budgetary amounts	13,439,613	(169,329)	(122,397)
Total revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 19,980,364	\$ 377,284	\$ (17,693)
Uses/Outflows of Resources			
Actual amounts "charged to appropriations" from the Budgetary Comparison Schedules	\$ 23,273,730	\$ 122,950	\$ 40,857
Differences in accrual basis expenditures and cash basis budgetary amounts	(21,726,404)	(64,921)	20,267
Encumbrances	16,732,979	25,399	-
Total expenditures reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 18,280,305	\$ 83,428	\$ 61,124

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 Eight (8) 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%
2021	0.1422591926%	3,091,804	2,592,364	119.27%	79.24%

** 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 10 years of data.*

See Notes to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

**SCHEDULE OF THE BUSINESS COUNCIL'S CONTRIBUTIONS
Public Employee Pension Plan
Last Eight (8) 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%
2021	228,882	228,882	-	2,509,667	9.12%

** This schedule is to be built prospectively until it contains 10 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

**State of Wyoming Employee Group Insurance Retiree Health Plan
Last Four (4) 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%
2021	0.29746%	3,886,730	N/A	N/A	0.00%

** This schedule is to be built prospectively until it contains 10 years of data.*

See Notes to Required Supplementary Information.

WYOMING BUSINESS COUNCIL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2021

Note 1. Basis of Presentation - Budgetary Comparison Schedules

The Wyoming Business Council (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 Schedules. Additionally, these Budgetary Comparison Schedules 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 Schedules

The schedule on page 42 is an explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures for the General Fund, Economic Development Fund, and Rural Rehabilitation Fund for the year ended June 30, 2021. A budgetary comparison schedule was not presented for the COVID Fund, as all budgetary authority was from a prior biennium.

Note 3. Retirement Commitment

Changes in benefit terms: There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2020 measurement date.

Changes in assumptions: Healthcare trend rates were updated along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates based on the Wyoming Retirement System (WRS) December 31, 2016 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2020 measurement date, as indicated in the table below:

Measurement Date (WRS Year-End)	Discount Rate	Inflation Rate	Salary Increases Rate	Payroll Growth Rate	Investment Rate of Return
2014	7.75%	3.25%	4.25%-6.00%	4.25%	7.75%
2015	7.75%	3.25%	4.25%-6.00%	4.25%	7.75%
2016	7.75%	3.25%	4.25%-6.00%	4.25%	7.75%
2017	7.75%	3.25%	4.25%-6.00%	4.25%	7.75%
2018	7.00%	2.25%	2.50%-6.50%	2.50%	7.00%
2019	7.00%	2.25%	2.50%-6.50%	2.50%	7.00%
2020	7.00%	2.25%	2.50%-6.50%	2.50%	7.00%

WYOMING BUSINESS COUNCIL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2021

Note 4. Postemployment Benefits Other Than Pensions Commitment

Changes in benefit terms: There were no changes in benefit terms between the June 30, 2016 and June 30, 2020 measurement dates.

Changes in assumptions: The plan has experienced the following changes in assumptions:

Measurement Date (June 30)	Discount Rate	Inflation Rate	Salary Increases Rate	Pre-Medicare HTC*	Medicare HTC*
2016	2.85%	2.50%	2.50%-6.50%	6.50%	7.50%
2017	3.58%	2.50%	2.50%-6.50%	6.50%	7.50%
2018	3.87%	2.25%	2.50%-6.50%	7.60%	8.10%
2019	3.51%	2.50%	2.50%-6.50%	7.20%	7.60%
2020	2.21%	2.25%	2.50%-6.50%	7.20%	7.60%

* Healthcare trend rate.

In addition, the following assumptions are updated annually as necessary:

- Healthcare claims costs based on recent experience.
- Retiree contributions.
- Mortality rates, retirement rates, withdrawal rates, and disability rates based on the WRS December 31, 2016 actuarial experience study.

OTHER GOVERNMENTAL FUNDS

The Wyoming Business Council's (the Business Council) nonmajor governmental funds are described below:

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.

American Recovery and Reinvestment Act of 2009 (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 ARRA. In addition, principal repayments are expended in accordance with allowable activities.

WYOMING BUSINESS COUNCIL

COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
June 30, 2021

	Wyoming Business Council Fund	ARRA Revolving Loan Fund	Total
ASSETS			
Deposits with State Treasurer	\$ 251,602	\$ -	\$ 251,602
Cash and Investments with Trustee	54,667	-	54,667
Accounts Receivable	2,912	-	2,912
Interest Receivable	533	-	533
Total assets	\$ 309,714	\$ -	\$ 309,714
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 4,747	\$ -	\$ 4,747
Liability under securities lending	54,667	-	54,667
Due to primary government	10,607	-	10,607
Total liabilities	70,021	-	70,021
Fund Balance			
Assigned	239,693	-	239,693
Total fund balance	239,693	-	239,693
Total liabilities and fund balance	\$ 309,714	\$ -	\$ 309,714

WYOMING BUSINESS COUNCIL

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL
FUNDS

Year Ended June 30, 2021

	Wyoming Business Council Fund	ARRA Revolving Loan Fund	Total
Revenues			
Investment income	\$ (992)	\$ (24,422)	\$ (25,414)
Total revenues	(992)	(24,422)	(25,414)
Expenditures			
Operations	623	-	623
Investments	-	-	-
Services	6,119	-	6,119
Total expenditures	6,742	-	6,742
(Deficiency) of revenues (under) expenditures	(7,734)	(24,422)	(32,156)
Special Item - Loss on Disposal of SEP	-	(1,262,838)	(1,262,838)
Other Financing Sources			
Transfers in	2,282	-	2,282
Transfers out	-	-	-
Total other financing sources	2,282	-	2,282
Net change in fund balances	(5,452)	(1,287,260)	(1,292,712)
Fund Balances, beginning	245,145	1,287,260	1,532,405
Fund Balances, ending	\$ 239,693	\$ -	\$ 239,693

WYOMING BUSINESS COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development:				
Community Development Block Grant Program	14.228	N/A	\$ 1,583,158	\$ 1,435,135
Total U.S. Department of Housing and Urban Development			<u>1,583,158</u>	<u>1,435,135</u>
U.S. Small Business Administration:				
State Trade Expansion Program	59.061	N/A	9,331	-
Total U.S. Small Business Administration			<u>9,331</u>	<u>-</u>
U.S. Department of Agriculture:				
Rural Business Development Grant	10.351	N/A	40,000	-
Passed through the State of Wyoming:				
Specialty Crop Block Grant Program - Farm Bill	10.170	N/A	10,725	-
Total U.S. Department of Agriculture			<u>50,725</u>	<u>-</u>
U.S. Department of Treasury:				
Passed through the State of Wyoming:				
COVID-19 Coronavirus Relief Fund	21.019	N/A	448,482,079	-
Total U.S. Department of Treasury			<u>448,482,079</u>	<u>-</u>
Total expenditures of Federal awards			<u>\$ 450,125,293</u>	<u>\$ 1,435,135</u>

See Notes to Schedule of Expenditures of Federal Awards.

WYOMING BUSINESS COUNCIL

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 \$1,435,135 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, 2021. The information in this Schedule is presented in accordance with the requirements of the 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.

Note 4. State Energy Program (SEP)

The SEP, historically administered by the Business Council, was transferred to the Wyoming Energy Authority (WEA), a component unit of the State of Wyoming, effective July 1, 2020. The Business Council transferred \$877,526 in cash, \$385,312 in outstanding loans receivable and responsibility for grant administration to the WEA. As such, no Federal expenditures were reported on the Business Council's Schedule.



**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, 2021, 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 May 6, 2022.

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

May 6, 2022



**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 *Office of Management and Budget 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, 2021. 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 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, 2021.

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 a 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
May 6, 2022

WYOMING BUSINESS COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 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>Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$13,503,759

Auditee qualified as low-risk auditee? Yes No

II. FINANCIAL STATEMENT FINDINGS

None.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

WYOMING BUSINESS COUNCIL

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

There were no findings for the year ended June 30, 2020.