

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

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2025**

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**MHP Assurance Services, LLP**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Wyoming Business Council  
Cheyenne, Wyoming

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited 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, 2025, 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.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Business Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter - Correction of Errors***

As discussed in Note 14 to the financial statements, the Business Council restated fund balance and net position as of July 1, 2024 to correct errors. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Business Council's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Business Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Business Council's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

U.S. GAAP requires that Management's Discussion and Analysis on pages 4 through 12, the Budgetary Comparison Schedules and the Explanation of Differences Between Budgetary Inflows and Outflows and U.S. GAAP Revenues and Expenditures for the General Fund, the Economic Development Fund, the Pandemic Relief Fund and the Wyoming Venture Capital Fund on pages 45 through 48, the Schedule of the Business Council's Proportionate Share of the Net Pension Liability on page 50, the Schedule of the Business Council's Contributions on page 51, the Schedule of the Business Council's Proportionate Share of the Total OPEB Liability on page 52, and the Notes to Required Supplementary Information on pages 53 and 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, this information is 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 issued a separate report dated December 17, 2025 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.

*MHP Assurance Services, LLP*

Cheyenne, Wyoming  
December 17, 2025

## 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 ended June 30, 2025 and 2024.

### FINANCIAL HIGHLIGHTS

#### Government-Wide Financial Statements

- The Business Council’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, for net position of \$92.57 million as of June 30, 2025, an increase of \$19.14 million from the previous year. In the current year, an error was identified relating to the previous year. This error resulted in the overstatement of net position. See further discussion related to the error in Note 14 to the financial statements.

#### Governmental Funds Financial Statements

- As of June 30, 2025, the Business Council’s governmental funds reported combined fund balances of \$88.19 million, an increase of \$10.95 million from the previous year. In the current year, errors were identified relating to the previous year. These errors resulted in the overstatement of fund balance in both the General Fund and the Pandemic Relief Fund. See further discussion related to the error corrections in Note 14.

### 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- 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 are reported 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Business Council's government-wide financial statements are presented on pages 13 through 15.

### 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 16 through 19.

### 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 20 through 44.



## 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 Other Postemployment Benefits (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 information on the Business Council's 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 45 through 54.

### Supplementary Information

The combining funds statements provide information for nonmajor governmental funds and are presented immediately following the required supplementary information. The combining funds statements are presented on pages 55 and 56.

## 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 \$92.57 million, which represents a net investment of \$219,623 in capital assets, \$78.30 million in restricted net position (economic development, rural rehabilitation, and Wyoming Venture Capital (WYVC)), and \$14.06 million in unrestricted net position. Unrestricted net position may be used to meet the Business Council's ongoing obligations.

The Business Council's gross net position increased \$19.14 million due to fiscal year 2025 being the first year of a biennium, and as such, the Business Council is able to immediately recognize as deposits with State Treasurer and appropriations from primary government 50% of its non-investment-ready communities appropriation.

## 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

	2025	2024 (Restated)
<b>ASSETS</b>		
Current Assets	\$ 115,256,720	\$ 82,375,374
Noncurrent Assets		
Public purpose assets	15,995,241	11,016,667
Fund investment	940,713	551,293
Loans receivable, net	19,390,318	18,968,470
Capital, lease, and subscription assets, net	662,060	329,852
<b>Total assets</b>	<u>\$ 152,245,052</u>	<u>\$ 113,241,656</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 2,350,471</u>	<u>\$ 2,301,494</u>
<b>LIABILITIES</b>		
Current Liabilities	\$ 32,304,548	\$ 26,334,301
Noncurrent Liabilities	26,947,612	12,908,525
<b>Total liabilities</b>	<u>\$ 59,252,160</u>	<u>\$ 39,242,826</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 2,772,148</u>	<u>\$ 2,866,716</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 219,623	\$ 266,815
Restricted for:		
Economic development	54,990,525	52,337,667
Rural rehabilitation	5,113,996	4,868,937
WYVC	18,190,705	12,331,617
Unrestricted	14,056,366	3,628,572
<b>Total net position</b>	<u>\$ 92,571,215</u>	<u>\$ 73,433,608</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Statement of Activities

Net position increased by \$19.14 million in the current fiscal year primarily due to increased general revenues, which primarily consist of appropriations from primary government and investment income. Fiscal year 2025 is the first year of the biennium, and in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, the Business Council is able to recognize 50% of its appropriation from the State, excluding the investment-ready communities appropriation, which is recognized as it is spent.

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

### STATEMENTS OF ACTIVITIES CONDENSED

	2025	2024 (Restated)
Revenues		
Program revenues	\$ 33,434,562	\$ 22,818,605
General revenues	35,536,755	16,245,143
<b>Total revenues</b>	<b>68,971,317</b>	<b>39,063,748</b>
Expenses		
Operations	3,934,620	4,234,852
Services	33,071,692	16,497,090
Investments	11,672,474	6,323,326
Regional offices	1,154,924	1,110,013
<b>Total expenses</b>	<b>49,833,710</b>	<b>28,165,281</b>
<b>Change in net position</b>	<b>19,137,607</b>	<b>10,898,467</b>
Net Position, beginning	73,433,608	62,535,141
Net Position, ending	<u>\$ 92,571,215</u>	<u>\$ 73,433,608</u>

### GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The Business Council's activities are reflected in the General Fund, the Economic Development Fund, the Pandemic Relief Fund, the Wyoming Venture Capital (WYVC) 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Balance Sheet

As of June 30, 2025, the Business Council's governmental funds reported combined ending fund balances of \$88.19 million, an increase of \$10.95 million from the previous year.

Of the major funds, the General Fund is the main operating fund of the Business Council. At the end of the current fiscal year, the total fund balance was \$19.96 million, of which \$8,839,248 is available for current use and \$11,122,200 is unavailable for current use (nonspendable or restricted) because it is associated with a long-term receivable (loans receivable). The General Fund increased by \$10.30 million, which represents the change in the balance of loans receivable held in the General Fund and the remaining unspent appropriation.

The fund balance of the Economic Development Fund was \$54.99 million as of June 30, 2025. The Economic Development Fund increased by \$2.65 million, primarily due to gains on investments held within the State Treasurer's Office.

Assets and liabilities within the Pandemic Relief Fund have increased from previous fiscal years. The fund originally recorded COVID-19 business relief activities funded by the Coronavirus Aid, Relief, and Economic Security Act of 2020. The Pandemic Relief Fund has been maintained to record operations of the American Rescue Plan Act of 2021 (ARPA). The Business Council has been subgranted \$76.55 million in ARPA funds by the State for further pandemic relief, primarily to expand broadband access across the State. During fiscal year 2024, the Business Council awarded \$65.24 million in grant funding to internet service providers under the Broadband Capital Projects Fund program. During fiscal year 2025, the Business Council awarded an additional \$5.28 million to internet service providers. Disbursements of these grant funds began late in the previous fiscal year and relate to the increased assets and liabilities in this fund.

As of June 30, 2025, the balance of the WYVC Fund was \$18.19 million, which is an increase of \$5.86 million from the previous year. The WYVC Fund was created in fiscal year 2023 due to the receipt of an allocation of State Small Business Credit Initiative (SSBCI) funds authorized by ARPA. The Business Council began investing activities in the previous fiscal year and holds public purpose assets and fund investments valued at \$16.94 million as of June 30, 2025, which is an increase of \$5.37 million from the investment value as of June 30, 2024. This increase represents additional investments into qualifying Wyoming businesses that were made during the current fiscal year.

The fund balances of the Business Council's remaining funds increased by \$252,067, which consists of gains on investments held within the State Treasurer's Office for the Wyoming Business Council Fund and the Rural Rehabilitation Fund.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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

	2025		2024 (Restated)		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% Change
<b>Revenues</b>						
Revenue from primary government	\$ 47,834,314	78.61%	\$ 17,045,899	45.23%	\$ 30,788,415	180.62%
Federal revenue	7,472,257	12.28%	14,928,162	39.61%	(7,455,905)	-49.95%
Investment income	4,095,051	6.73%	4,168,074	11.06%	(73,023)	-1.75%
Revenue from others	1,271,302	2.09%	1,329,763	3.53%	(58,461)	-4.40%
Charges for sales and services	175,591	0.29%	214,470	0.57%	(38,879)	-18.13%
<b>Total revenues</b>	<b>\$ 60,848,515</b>	<b>100.00%</b>	<b>\$ 37,686,368</b>	<b>100.00%</b>	<b>\$ 23,162,147</b>	<b>61.46%</b>
<b>Expenditures</b>						
Operations	\$ 4,487,179	8.90%	\$ 4,440,768	15.53%	\$ 46,411	1.05%
Services	33,050,367	65.52%	16,469,973	57.60%	16,580,394	100.67%
Investments	11,680,051	23.16%	6,316,219	22.09%	5,363,832	84.92%
Regional offices	1,173,250	2.33%	1,119,236	3.91%	54,014	4.83%
Capital outlay	51,925	0.10%	248,756	0.87%	(196,831)	100.00%
<b>Total expenditures</b>	<b>\$ 50,442,772</b>	<b>100.00%</b>	<b>\$ 28,594,952</b>	<b>100.00%</b>	<b>\$ 21,847,820</b>	<b>76.40%</b>
<b>Other Financing Sources</b>						
Leases	\$ 506,697	93.83%	\$ 47,303	100.00%	\$ 459,394	971.17%
Subscriptions	33,308	6.17%	-	0.00%	33,308	0.00%
<b>Total other financing sources</b>	<b>\$ 540,005</b>	<b>100.00%</b>	<b>\$ 47,303</b>	<b>100.00%</b>	<b>\$ 492,702</b>	<b>1041.59%</b>

Revenues for governmental activities were \$60.85 million for fiscal year 2025, an increase of 61.46% from the previous year. Revenues from primary government increased \$30.79 million, or 180.67%, due to the increased activity in the Broadband Capital Projects Fund program within the Pandemic Relief Fund and the General Fund recognizing half of its non-investment-ready communities appropriation. Federal revenues decreased \$7.46 million primarily due to fewer WYVC investment transactions than in the previous fiscal year. Federal revenue within the WYVC Fund is recognized upon the disbursement of investment funds.

Expenditures for governmental activities were \$50.44 million for fiscal year 2025, an increase of 76.40% from fiscal year 2024. This increase is primarily due to increased activity in the Broadband Capital Projects Fund program within the Pandemic Relief Fund.

Other financing sources of \$540,005 represent three renewed office space leases reported in accordance with GASB Statement No. 87, *Leases*, and two new subscription agreements reported in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSETS AND DEBT ACTIVITY

#### Capital Assets Activity, Including Lease and Subscription Assets

The Business Council's investment in capital assets for its governmental activities as of June 30, 2025 amounted to \$234,947, net of accumulated depreciation of \$341,048. This investment in capital assets includes furniture, fixtures and equipment; assets in development; and intangible assets. The Business Council's investment in lease assets for its governmental activities as of June 30, 2025 amounted to \$408,845, net of accumulated depreciation of \$145,155. The Business Council's lease assets include leases for equipment and real estate. At the end of the fiscal year, the Business Council had lease liabilities related to the equipment and real estate totaling \$428,105. The Business Council's investment in subscription assets for its governmental activities as of June 30, 2025 amounted to \$18,268, net of accumulated amortization of \$69,761. At the end of the fiscal year, the Business Council had subscription liabilities totaling \$14,332. The \$332,208 increase in net capital, lease, and subscription assets from the previous year is due to current-year additions of \$591,930, offset by \$259,722 in depreciation/amortization expense.

The following is a schedule of capital, lease, and subscription assets for the past two years. Additional information on the Business Council's capital, lease, and subscription assets can be found in Note 4 to the financial statements.

#### SCHEDULE OF CAPITAL, LEASE, AND SUBSCRIPTION ASSETS (NET OF DEPRECIATION/AMORTIZATION)

	2025	2024
Right-to-use lease assets - equipment	\$ 31,535	\$ 43,361
Right-to-use lease assets - real estate	377,310	-
Right-to-use subscription assets	18,268	18,241
Furniture, fixtures, and equipment	-	1,022
Intangible assets	141,961	131,867
Assets in development	92,986	135,361
<b>Total</b>	<b>\$ 662,060</b>	<b>\$ 329,852</b>

#### Debt Activity

The Business Council recognized three new lease liabilities of \$506,697 for new real estate leases of existing office space in the cities of Cheyenne and Evanston, and the Town of Wright during the year ended June 30, 2025. See the additional discussion and disclosure of the Business Council's lease activity in Note 5 to the financial statements. Also see the disclosure of subscription activity in Note 6 to the financial statements.

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **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 revised due to increased loan activity in the current fiscal year. Budgeted expenditures for the WYVC Fund represent administrative expenditures for SSBCI activities.

### **FINANCIAL IMPACT**

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 Wyoming State Legislature made one-time appropriations during its 2018 Budget Session to the Business Council to expand international trade efforts and improve broadband services across the State.

In November 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law. During the fiscal year ended June 30, 2023, the Business Council received notification that the State’s allocation of the Broadband Equity, Access, and Deployment (BEAD) program funded by the IIJA would be \$348 million. Throughout the current fiscal year, the Business Council met certain milestones required to receive its BEAD funding allocation. Subsequent to June 30, 2025, the Business Council successfully submitted its final proposal as required by the program and has received notification of approval. BEAD program activity is expected to start before the end of fiscal year 2026.

In January 2023, the Business Council received \$19.03 million in Federal ARPA funding for the SSBCI. The receipt represents the first of three tranches to be received that will make up a \$58.43 million award allocation over a nine-year period. The remaining two tranches will be received when certain program requirements are met. The Business Council met program requirements to request the second tranche of funds and received it in March 2025. The SSBCI program provides funding to governments to empower small businesses to access capital needed to invest in job-creating opportunities as the United States continues to recover from the COVID-19 pandemic. The Business Council is leveraging these funds to benefit the entrepreneurial ecosystem by building capacity in venture capital, branding its SSBCI program Wyoming Venture Capital. As of June 30, 2025, the Business Council’s WYVC investments made throughout the current fiscal year were worth \$5.49 million. Additionally, the Business Council had one outstanding investment commitment of \$3.93 million as of June 30, 2025. Subsequent to June 30, 2025, the Business Council has invested \$1.75 million in direct investments to qualifying small businesses.

### **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, 2025

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#### ASSETS

##### Current Assets

Deposits with State Treasurer	\$ 86,400,387
Cash and investments with trustee	12,203,468
Interest receivable	464,625
Due from primary government	13,813,495
Due from Federal government	161,568
Prepaid grant expenses	35,385
Loans receivable, net	2,177,792

<b>Total current assets</b>	<b>115,256,720</b>
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##### Noncurrent Assets

Loans receivable, net	19,390,318
Public purpose assets	15,995,241
Fund investment	940,713
Capital assets, net of accumulated depreciation	234,947
Right-to-use lease assets, net of accumulated amortization	408,845
Right-to-use subscription assets, net of accumulated amortization	18,268

<b>Total noncurrent assets</b>	<b>36,988,332</b>
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<b>Total assets</b>	<b>152,245,052</b>
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#### DEFERRED OUTFLOWS OF RESOURCES

Pension-Related Outflows	735,111
OPEB-Related Outflows	1,615,360
<b>Total deferred outflows of resources</b>	<b>2,350,471</b>

*Continued*



## WYOMING BUSINESS COUNCIL

### STATEMENT OF NET POSITION, *Continued* June 30, 2025

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#### LIABILITIES

Current Liabilities	
Accounts payable	\$ 19,840,293
Liability under securities lending	12,203,468
Due to primary government	24,396
Accrued payroll	4,262
Compensated absences payable	84,437
Current portion of lease liabilities	133,360
Current portion of subscription liabilities	14,332
<b>Total current liabilities</b>	<u>32,304,548</u>
Noncurrent Liabilities	
Lease liabilities, net of current portion	294,745
Unearned revenue	21,006,656
Net pension liability	3,261,538
Total OPEB liability	2,384,673
<b>Total noncurrent liabilities</b>	<u>26,947,612</u>
<b>Total liabilities</b>	<u>59,252,160</u>

#### DEFERRED INFLOWS OF RESOURCES

Pension-Related Inflows	430,451
OPEB-Related Inflows	2,341,697
<b>Total deferred inflows of resources</b>	<u>2,772,148</u>

#### NET POSITION

Net Investment in Capital Assets	219,623
Restricted for:	
Economic development	54,990,525
Rural rehabilitation	5,113,996
WYVC	18,190,705
Unrestricted	14,056,366
<b>Total net position</b>	<u>\$ 92,571,215</u>

See Notes to Financial Statements.

# WYOMING BUSINESS COUNCIL

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Sales and Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities				
Operations	\$ 3,934,620	\$ -	\$ 691,219	\$ (3,243,401)
Services	33,071,692	150,100	26,875,085	(6,046,507)
Investments	11,672,474	25,491	5,692,667	(5,954,316)
Regional offices	1,154,924	-	-	(1,154,924)
<b>Total</b>	<b>\$ 49,833,710</b>	<b>\$ 175,591</b>	<b>\$ 33,258,971</b>	<b>(16,399,148)</b>
General Revenues				
Appropriations from primary government				30,170,402
Investment income				4,095,051
Other				1,271,302
<b>Total general revenues</b>				<b>35,536,755</b>
<b>Change in net position</b>				<b>19,137,607</b>
Net Position, beginning, as previously reported				
Restated for correction of error				(2,213,328)
Net Position, beginning, as restated				73,433,608
Net Position, ending				<b>\$ 92,571,215</b>

See Notes to Financial Statements.

## WYOMING BUSINESS COUNCIL

### BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Economic Development Fund	Pandemic Relief Fund	Wyoming Venture Capital Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Deposits With State Treasurer	\$ 14,642,369	\$ 44,215,132	\$ -	\$ 22,180,832	\$ 5,362,054	\$ 86,400,387
Cash and Investments With Trustee	1,434	10,867,206	-	-	1,334,828	12,203,468
Public Purpose Assets	-	-	-	15,995,241	-	15,995,241
Fund Investment	-	-	-	940,713	-	940,713
Interest Receivable	57,448	348,770	-	27,311	31,096	464,625
Prepaid Grant Expenses	-	-	35,385	-	-	35,385
Due From Primary Government	255,000	-	13,558,495	-	-	13,813,495
Due From Federal Government	161,568	-	-	-	-	161,568
Loans Receivable, net	11,122,200	10,445,910	-	-	-	21,568,110
<b>Total assets</b>	<b>\$ 26,240,019</b>	<b>\$ 65,877,018</b>	<b>\$ 13,593,880</b>	<b>\$ 39,144,097</b>	<b>\$ 6,727,978</b>	<b>\$ 151,582,992</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 6,253,584	\$ 19,287	\$ 13,558,495	\$ 990	\$ 7,937	\$ 19,840,293
Liability under securities lending	1,434	10,867,206	-	-	1,334,828	12,203,468
Due to primary government	-	-	-	422	23,974	24,396
Unearned revenue	19,291	-	35,385	20,951,980	-	21,006,656
Accrued payroll	4,262	-	-	-	-	4,262
<b>Total liabilities</b>	<b>6,278,571</b>	<b>10,886,493</b>	<b>13,593,880</b>	<b>20,953,392</b>	<b>1,366,739</b>	<b>53,079,075</b>
Deferred Inflows of Resources						
Unavailable revenue	-	-	10,310,492	-	-	10,310,492
Fund Balances						
Nonspendable:						
Loans receivable and other	11,122,200	10,445,910	-	-	-	21,568,110
Restricted	-	44,544,615	-	18,190,705	5,113,996	67,849,316
Assigned	-	-	-	-	247,243	247,243
Unassigned	8,839,248	-	(10,310,492)	-	-	(1,471,244)
<b>Total fund balances</b>	<b>19,961,448</b>	<b>54,990,525</b>	<b>(10,310,492)</b>	<b>18,190,705</b>	<b>5,361,239</b>	<b>88,193,425</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 26,240,019</b>	<b>\$ 65,877,018</b>	<b>\$ 13,593,880</b>	<b>\$ 39,144,097</b>	<b>\$ 6,727,978</b>	<b>\$ 151,582,992</b>

See Notes to Financial Statements.

## WYOMING BUSINESS COUNCIL

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

June 30, 2025

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Total fund balances - governmental funds	\$ 88,193,425
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Amounts reported for governmental activities in the Statement of  
Net Position are different because:

Capital and right-to-use 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 costs  
of these assets are reported as expenditures in governmental  
funds. These assets consist of:

Leasehold improvements	16,199
Right-to-use lease assets, net of lease liabilities	125,896
Right-to-use subscription assets, net of subscription liabilities	73,697
Furniture, fixtures, and equipment	118,296
Intangible assets	348,515
Assets in development	92,986
Accumulated depreciation and amortization	<u>(555,966)</u>

<b>Total capital and right-to-use assets, net of lease and subscription payable</b>	<b>219,623</b>
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Other assets are not available to pay for current expenditures and, therefore, are deferred in the funds	10,310,492
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Deferred outflows of resources that are not available for the current-period expenditures and are not reported in the governmental funds	2,350,471
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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	(84,437)
Net pension liability	(3,261,538)
Total OPEB liability	(2,384,673)
Deferred inflows of resources	<u>(2,772,148)</u>

<b>Total liabilities and deferred inflows of resources</b>	<b><u>(8,502,796)</u></b>
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<b>Net position of governmental activities</b>	<b><u>\$ 92,571,215</u></b>
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See Notes to Financial Statements.

# WYOMING BUSINESS COUNCIL

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Year Ended June 30, 2025

	General Fund	Economic Development Fund	Pandemic Relief Fund	Wyoming Venture Capital Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Revenue from primary government	\$ 30,170,402	\$ -	\$ 17,663,912	\$ -	\$ -	\$ 47,834,314
Federal revenue	1,800,735	-	-	5,671,522	-	7,472,257
Investment income	131,020	3,210,670	-	409,895	343,466	4,095,051
Revenue from others	1,271,302	-	-	-	-	1,271,302
Charges for sales and services	150,100	25,491	-	-	-	175,591
<b>Total revenues</b>	<b>33,523,559</b>	<b>3,236,161</b>	<b>17,663,912</b>	<b>6,081,417</b>	<b>343,466</b>	<b>60,848,515</b>
<b>Expenditures</b>						
Operations	4,143,591	-	343,588	-	-	4,487,179
Services	7,515,842	-	25,443,126	-	91,399	33,050,367
Investments	10,874,419	583,303	-	222,329	-	11,680,051
Regional offices	1,173,250	-	-	-	-	1,173,250
Capital outlay	51,925	-	-	-	-	51,925
<b>Total expenditures</b>	<b>23,759,027</b>	<b>583,303</b>	<b>25,786,714</b>	<b>222,329</b>	<b>91,399</b>	<b>50,442,772</b>
<b>(Deficiency) excess of revenues over expenditures</b>	<b>9,764,532</b>	<b>2,652,858</b>	<b>(8,122,802)</b>	<b>5,859,088</b>	<b>252,067</b>	<b>10,405,743</b>
<b>Other Financing Sources</b>						
Leases	506,697	-	-	-	-	506,697
Subscriptions	33,308	-	-	-	-	33,308
<b>Total other financing sources</b>	<b>540,005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,005</b>
<b>Net change in fund balances</b>	<b>10,304,537</b>	<b>2,652,858</b>	<b>(8,122,802)</b>	<b>5,859,088</b>	<b>252,067</b>	<b>10,945,748</b>
<b>Fund Balances, beginning, as previously reported</b>	<b>11,870,239</b>	<b>52,337,667</b>	<b>(1,377,560)</b>	<b>12,331,617</b>	<b>5,109,172</b>	<b>80,271,135</b>
Restated for correction of error	(2,213,328)	-	(810,130)	-	-	(3,023,458)
<b>Fund Balances, beginning, as restated</b>	<b>9,656,911</b>	<b>52,337,667</b>	<b>(2,187,690)</b>	<b>12,331,617</b>	<b>5,109,172</b>	<b>77,247,677</b>
<b>Fund Balances, ending</b>	<b>\$ 19,961,448</b>	<b>\$ 54,990,525</b>	<b>\$ (10,310,492)</b>	<b>\$ 18,190,705</b>	<b>\$ 5,361,239</b>	<b>\$ 88,193,425</b>

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, 2025

Net change in fund balances - total governmental funds		\$ 10,945,748
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their useful lives as depreciation expense. In the current period, these amounts are:		
Fixed asset and lease additions, net of lease payable additions	51,925	
Depreciation and amortization expense	<u>(259,722)</u>	
		(207,797)
Principal payments on lease liabilities are an expenditure in governmental funds, but the repayment is a reduction of long-term liabilities in the Statement of Net Position		122,536
Principal payments on subscription liabilities are an expenditure in governmental funds, but the repayment is a reduction of long-term liabilities in the Statement of Net Position		38,069
Change in revenues, including the prior-period restatement relating to deferred inflows of resources in the Pandemic Relief Fund, in the Statement of Activities that does not provide current financial resources is not reported as revenues in the funds		8,122,802
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	(23,033)	
Change in OPEB plan liability and OPEB-related inflows and outflows	132,513	
Change in defined benefit net pension liability and pension-related inflows and outflows	<u>6,769</u>	
		<u>116,249</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 19,137,607</u></b>

See Notes to Financial Statements.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### 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.

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 the 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

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#### **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 Investments Board under that law. Revenues in the Economic Development Fund consist primarily of investment income.

*Pandemic Relief 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 of pass-through Federal funding authorized by the Coronavirus Aid, Relief, and Economic Security Act.

*Wyoming Venture Capital (WYVC) Fund:* Used to account for the Business Council's WYVC activities. WYVC is funded by the State Small Business Credit Initiative (SSBCI), which was authorized by the American Rescue Plan Act of 2021 (ARPA) to expand access to capital for small businesses to build ecosystems of opportunity and entrepreneurship and create high-quality jobs. Revenues consist of an allocation from the Federal government and any investment income from investments made in small businesses.

#### **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 75 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.

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

The Wyoming State 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.



## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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

**Deposits with State Treasurer:** The Business Council's cash is pooled with other State agencies in accounts managed by the State Treasurer. The accounts are 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 that 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, 2025 can be obtained from the State's Annual Comprehensive Financial Report.

**Public purpose assets - direct:** The Business Council holds certain assets that do not meet the definition of an investment subject to fair value measurement under GASB Statement No. 72, *Fair Value Measurement and Application*, as they are not held primarily for the purpose of income or profit. The assets, referred to as public purpose assets, are reported at cost. The cost of the public purpose assets as of June 30, 2025 is \$15,995,241. The Business Council believes that this is the most appropriate method of valuation as the assets are held primarily for economic development activities.

**Fund investment:** The Business Council holds an investment in a fund that is based on the investment's net asset value per share (or its equivalent) provided by the investee. Such fair value measurement in the fund investment is presented at \$940,713, with unfunded commitments of \$3,934,509 as of June 30, 2025.

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

**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 the 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 the principal and interest is not expected to be collected in full.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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

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 of 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:

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 and assets in development of the Business Council at June 30, 2025 are computer software, digital media assets, 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.

The Business Council is a lessee for equipment and real estate. The Business Council recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. Lease liabilities with an initial individual value of \$5,000 or more are recognized.

At the commencement of a lease, the Business Council initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at, or before, the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the life of the lease.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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

The Business Council monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

The Business Council is an end user for subscription-based information technology arrangements. The Business Council recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. Subscription liabilities with an initial individual value of \$5,000 or more are recognized.

At the commencement of a subscription, the Business Council initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at, or before, the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription is amortized on a straight-line basis over the life of the subscription.

**Compensated absences:** Employees of the Business Council earn up to five weeks of vacation at a monthly rate of 16.67 hours. 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. In exceptional extraordinary circumstances, employees may be able to carry forward unused vacation leave. 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:** Grants payable occur when grantees incur qualified reimbursable expenditures on a grant prior to year-end but have not invoiced the Business Council for these amounts by the end of the current fiscal year. The Business Council expects to receive reimbursement requests that correspond to the current fiscal year by the end of the first quarter of the subsequent fiscal year. The Business Council will evaluate whether reimbursement requests received late will be grants payable in the current fiscal year or expenses in the next fiscal year. Grants payable are included as part of accounts payable.

**Unearned revenue:** Unearned revenue occurs 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.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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

**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. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

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

**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. Nonspendable fund balances include Business-Ready Communities loans receivable made through the General Fund and Amendment IV, economic disaster, bridge, natural gas infrastructure, and other loans receivable made through the Economic Development Fund.

*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. Restricted fund balances include funds restricted for the operations of the rural rehabilitation program administered in accordance with the terms of an agreement with the U.S. Farms Home Administration and funds restricted for the WYVC are administered in accordance with ARPA.

*Committed:* Amounts constrained for specific purposes imposed by formal action of the reporting governmental entity's highest level of decision-making authority. Committed fund balances include funds used for economic development efforts of the Business Council.

*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. Assigned fund balances include funds related to the Wyoming First program, telephone communications, and other efforts of the Business Council.

*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.

The Business Council does not have a formal policy on the use of funds when both restricted and unrestricted resources are available for use. It is assumed that restricted resources are used first and then unrestricted resources as needed.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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

The Pandemic Relief Fund had a deficit fund balance at June 30, 2025 of \$10,310,492.

**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 U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### **Recent pronouncements:**

*Adopted:* In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. The Business Council implemented GASB Statement No. 101 for the fiscal year ended June 30, 2025.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement defines concentrations and constraints, notes that concentrations and constraints may limit a government's ability to acquire resources or control spending, and requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. However, management has determined that no events associated with a concentration or constraint meet the criteria outlined above.

*Upcoming:* In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. In order to enhance the effectiveness in providing information that is essential for decision-making and assessing a government's accountability, this statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Business Council is currently evaluating the impact that the provisions of this statement will have on its financial statements.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS

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

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures, including lease assets, intangible right-to-use assets, and subscription assets. Other intangible assets are also required to be disclosed separately by major class. This statement also requires additional disclosures for capital assets held for sale. A capital asset is held for sale if (a) the government has decided to pursue the sale of the capital asset, and (b) it is probable that the sale will be finalized within one year of the financial statements date. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Business Council is currently evaluating the impact that the provisions of this statement will have on its financial statements.

**Note 2. Deposits With State Treasurer**

Deposits for the Business Council are invested in the State’s State Agency Pool managed by the State Treasurer’s Office and are presented as follows:

	Fair Value	Percentage
Investment type:		
Fixed-income investments	\$ 86,400,387	100.00%

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

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

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 3. Loans Receivable

Interest rates on loans vary from 0.0% to 6.5% 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, 2025, loans receivable included outstanding loans to three major loan customers totaling \$7,772,723, which comprised 34.82% of gross loans receivable as of that date. One loan totaling \$31,191 was charged off during the year ended June 30, 2025. Loans receivable as of June 30, 2025 are as follows:

	Loan Type	Gross Balance	Allowance	Net Balance
General Fund	Business-Ready Communities	\$ 11,122,200	\$ -	\$ 11,122,200
Economic Development Fund	Amendment IV	41,345	41,345	-
Economic Development Fund	Economic disaster	3,775,153	616,041	3,159,112
Economic Development Fund	Bridge	5,137,335	54,482	5,082,853
Economic Development Fund	Other	2,248,923	44,978	2,203,945
		<u>\$ 22,324,956</u>	<u>\$ 756,846</u>	<u>\$ 21,568,110</u>

# WYOMING BUSINESS COUNCIL

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Capital Assets

**Capital assets:** Capital asset activity in the government-wide financial statements as of and for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Assets in development	\$ 135,361	\$ 28,350	\$ (70,725)	\$ 92,986
<b>Total capital assets not being depreciated</b>	<b>135,361</b>	<b>28,350</b>	<b>(70,725)</b>	<b>92,986</b>
Capital assets being depreciated:				
Leasehold improvements	16,199	-	-	16,199
Furniture, fixtures, and equipment	118,296	-	-	118,296
Intangible assets	254,215	94,300	-	348,515
<b>Total capital assets being depreciated</b>	<b>388,710</b>	<b>94,300</b>	<b>-</b>	<b>483,010</b>
Less accumulated depreciation:				
Leasehold improvements	(16,199)	-	-	(16,199)
Furniture, fixtures, and equipment	(117,274)	(1,022)	-	(118,296)
Intangible assets	(122,348)	(84,206)	-	(206,554)
<b>Total accumulated depreciation</b>	<b>(255,821)</b>	<b>(85,228)</b>	<b>-</b>	<b>(341,049)</b>
<b>Total capital assets being depreciated, net</b>	<b>132,889</b>	<b>9,072</b>	<b>-</b>	<b>141,961</b>
<b>Capital assets, net</b>	<b>\$ 268,250</b>	<b>\$ 37,422</b>	<b>\$ (70,725)</b>	<b>\$ 234,947</b>



# WYOMING BUSINESS COUNCIL

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Capital Assets, *Continued*

**Lease assets:** Lease asset activity in the government-wide financial statements as of and for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Lease assets being amortized:				
Equipment	\$ 47,303	\$ -	\$ -	\$ 47,303
Real estate	361,141	506,697	(361,140)	506,698
<b>Total lease assets being amortized</b>	<b>408,444</b>	<b>506,697</b>	<b>(361,140)</b>	<b>554,001</b>
Less accumulated amortization:				
Equipment	(3,942)	(11,826)	-	(15,768)
Real estate	(361,141)	(129,387)	361,140	(129,388)
<b>Total accumulated amortization</b>	<b>(365,083)</b>	<b>(141,213)</b>	<b>361,140</b>	<b>(145,156)</b>
<b>Lease assets, net</b>	<b>\$ 43,361</b>	<b>\$ 365,484</b>	<b>\$ -</b>	<b>\$ 408,845</b>

**Subscription assets:** Subscription asset activity in the government-wide financial statements as of and for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Subscription assets being amortized	\$ 78,405	\$ 33,308	\$ (23,684)	\$ 88,029
Less accumulated amortization	(60,164)	(33,281)	23,684	(69,761)
<b>Subscription assets, net</b>	<b>\$ 18,241</b>	<b>\$ 27</b>	<b>\$ -</b>	<b>\$ 18,268</b>

Depreciation/amortization expense was charged to governmental functions, as follows:

Operations	\$ 101,723
Services	115,458
Investments	20,276
Regional offices	22,265
	<u>\$ 259,722</u>

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 5. Lease Liabilities

The Business Council has entered into various lease agreements for office space and equipment that have been accounted for as lease assets. The lease terms vary in range, extending through June 2028.

During the year ended June 30, 2025, the following changes occurred in long-term lease liabilities:

	Beginning Balance	Additions	Deletions	Ending Balance
Lease liabilities:				
Equipment	\$ 43,944	\$ -	\$ 10,665	\$ 33,279
Real estate	-	506,697	111,871	394,826
<b>Total</b>	<b>\$ 43,944</b>	<b>\$ 506,697</b>	<b>\$ 122,536</b>	<b>\$ 428,105</b>

Future minimum lease payments under the agreements as of June 30, 2025 are as follows:

Years ending June 30:	Principal	Interest	Total
2026	\$ 133,360	\$ 2,383	\$ 135,743
2027	143,392	1,357	144,749
2028	151,353	291	151,644
	<u>\$ 428,105</u>	<u>\$ 4,031</u>	<u>\$ 432,136</u>

#### Note 6. Subscription Liabilities

The Business Council has entered into subscription agreements for GIS software and website hosting that have been accounted for as subscription assets. The terms vary in range, extending through June 30, 2025. The following is a summary of the changes in the Business Council's subscription obligations during the year ended June 30, 2025:

Beginning Balance	Additions	Deletions	Ending Balance
\$ 19,093	\$ 33,308	\$ 38,069	\$ 14,332

Future minimum subscription-based payments under the agreements as of June 30, 2025 consist of principal of \$14,332 and interest of \$668, for a total of \$15,000 for the year ending June 30, 2026.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 7. 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 contributory retirement plan administered by the WRS. The authority to establish and amend benefits and contribution rates rests with the Wyoming State Legislature. 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 accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

**Benefits provided:** The determination of retirement benefits is dependent upon each 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. The 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 after 15 years.

*Service Retirement Tier 2:* Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. The 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 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 his/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/her 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 Titles 9-3-412 and -413 of Wyoming State Statutes, effective July 1, 2021, member and employer contributions were required to be 9.25% and 9.37% 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 contributions to the pension plan from the Business Council were \$508,453.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

#### Note 7. Retirement Commitment - WRS, *Continued*

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:** At June 30, 2025, the Business Council reported a liability of \$3,261,538 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. There were no assumption changes for the 2024 actuarial valuation. 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, 2024 to the contributions of all participating employers for the same period. At December 31, 2024, the Business Council's proportion was 0.1563856918%, which was an increase from its December 31, 2023 proportion of 0.1496265280%.

For the year ended June 30, 2025, the Business Council recognized pension expense of \$316,364. At June 30, 2025, 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	\$ 211,482	\$ 3,927
Net difference between projected and actual earnings on pension plan investments	-	412,942
Changes in proportionate share of contributions	355,084	13,582
Contributions subsequent to measurement date	168,545	-
Changes in assumptions	-	-
	<u>\$ 735,111</u>	<u>\$ 430,451</u>

An amount of \$168,545, reported as deferred outflows of resources related to pensions resulting from the Business Council's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2025 will be recognized in pension expense, as follows:

Years ending June 30:	
2026	\$ 118,832
2027	337,037
2028	(215,397)
2029	(104,357)
	<u>\$ 136,115</u>

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 7. Retirement Commitment - WRS, *Continued*

**Actuarial assumptions:** The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions adopted by the WRS Board, effective at its November 17, 2021 and February 17, 2022 meetings, and applied to the December 31, 2024 measurement date:

Inflation	2.25%
Salary Increases	2.50%-6.50%, including inflation
Payroll Growth Rate	2.50%
Cost of Living Increase	0.00%
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation
Post-Retirement Mortality	Mortality rates were based on the PUB-2010 General Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 103%.
Pre-Retirement Mortality	Mortality rates were based on the PUB-2010 General Active Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 100%.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 7. Retirement Commitment - WRS, *Continued*

**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 adding expected inflation. Each major asset class is included in the pension plan's target asset allocation as of January 1, 2024. 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	0.50%	0.41%	0.40%
Gold	1.50%	2.33%	0.90%
Fixed income	20.00%	3.79%	4.22%
Equity	51.50%	6.51%	8.19%
Marketable alternatives	16.00%	4.54%	5.38%
Private markets	10.50%	6.23%	7.74%
	<u>100.00%</u>		

**Experience analysis:** An experience study was conducted on behalf of all WRS plans covering the five-year period ended December 31, 2020. 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 as of December 31, 2024 was 6.80%. 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

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#### Note 7. Retirement Commitment - WRS, *Continued*

**Sensitivity of the Business Council'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 6.80%, 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 or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 5,433,034	\$ 3,261,538	\$ 1,463,268

**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 is accessible at <https://retirement.wyo.gov/About/Reports/?Label=GASB+68>.

#### Note 8. OPEB Commitment and Change in Accounting Estimate

##### 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 prior to retirement; and
2. The employee is eligible to receive a retirement benefit under the WRS or the Teachers Insurance and Annuity Association of America and either:
  - a. Has reached 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 Wyoming State Legislature has the authority to establish and amend the benefit terms of the Plan. The Plan does not issue a separate financial report; however, additional Plan information can be obtained from the State's Annual Comprehensive Financial Report, which may be obtained from its website at <http://sao.wyo.gov/publications>.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 8. OPEB Commitment and Change in Accounting Estimate, *Continued*

*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 that they were covered at the time of death.

*Funding policy:* The State finances this program on a pay-as-you-go basis, and there are no assets held in trust for pre-funding the obligations of the Plan. The Wyoming State 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, 2025, the Business Council reported a liability of \$2,384,673 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2025. For the year ended June 30, 2025, the Business Council's proportion of the collective total OPEB liability was based on a projection of the Business Council's explicit premium subsidies relative to all Plan participants. For the year ended June 30, 2024, the Business Council's proportion of the collective total OPEB liability was based on a projection of the Business Council's expected benefit payments. This change in allocation methodology was accounted for prospectively as a change in accounting estimate. The change was due to the volatility of the implicit subsidy included in projected benefit payments. At June 30, 2025, the Business Council's proportion was 0.3270%, which was a decrease from its June 30, 2024 proportion of 0.33943%.

For the year ended June 30, 2025, the Business Council recognized OPEB expense of \$23,956. At June 30, 2025, 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	\$ 200,663	\$ 383,854
Changes in assumptions	493,801	1,671,078
Expected payments subsequent to measurement date	44,058	-
Change in proportionate share of expected payments	876,838	286,765
	<u>\$ 1,615,360</u>	<u>\$ 2,341,697</u>

An amount of \$44,058, 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, 2026.



## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 8. OPEB Commitment and Change in Accounting Estimate, *Continued*

The other 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:		
2026	\$	152,386
2027		117,786
2028		172,817
2029		111,810
2030		170,660
Thereafter		<u>44,936</u>
	\$	<u><u>770,395</u></u>

**Actuarial assumptions:** The total OPEB liability was determined by an actuarial valuation as of June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2024 (based on census data as of June 30, 2023)
Inflation	2.25%
Salary Increases	2.50%-6.50%
Mortality Rates	
Pre-Retirement:	General: Headcount-Weighted PUB-2010 General Employee, projected generationally with two-dimensional Scale MP-2020.  Safety: Headcount-Weighted PUB-2010 Safety Employee, projected generationally with two-dimensional Scale MP-2020.
Post-Retirement:	General: Headcount-Weighted PUB-2010 Non-Safety Healthy Retiree with 103% multiplier for females, projected generationally with two-dimensional Scale MP-2020.  Safety: Headcount-Weighted PUB-2010 Safety Healthy Retiree, projected generationally with two-dimensional Scale MP-2020.
Disabled:	General: Headcount-Weighted PUB-2010 General Disabled, projected generationally with two-dimensional Scale MP-2020.  Safety: Headcount-Weighted PUB-2010 Safety Disabled, projected generationally with two-dimensional Scale MP-2020.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 8. OPEB Commitment and Change in Accounting Estimate, *Continued*

##### Healthcare Cost Trend Rates

Pre-Medicare: 7.75%, decreasing annually until reaching the ultimate trend rate of 4.50%.

Medicare: 17.25%, then 7.50% decreasing annually until reaching the ultimate trend rate of 4.50%.

Participation Rate 55% will elect coverage, and 30% will cover a spouse.

Spouse Age Differential Males are assumed to be two years older than females.

Cost Method Entry age normal. Under this method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over the expected future working lifetime, as defined by the GASB. The proration is determined so that the cost, with respect to the service accrued from the 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 assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the Standard & Poor's Dow Jones Indices, consulting firms and brokers, and Consumer Price Index statistics published by the Bureau of Labor Statistics.

Significant demographic and economic assumptions are based on an experience study that covered a five-year period ended December 31, 2020. Significant assumptions varied within the various retirement plans within the WRS. The remaining demographic assumptions were based on Plan experience and professional judgment.

**Discount rate:** The discount rate used to measure the total OPEB liability was 3.93% at June 30, 2024, which represents an increase from the discount rate of 3.65% utilized for the June 30, 2023 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-Year Municipal Bond Index.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 8. OPEB Commitment and Change in Accounting Estimate, *Continued*

**Sensitivity of the Business Council's proportionate share of the collective total OPEB liability to changes in the discount rate:** The following table presents the Business Council's proportionate share of the collective total OPEB liability, calculated using the discount rate of 3.93%, 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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Proportionate share of the collective total OPEB liability	\$ 2,856,121	\$ 2,384,673	\$ 2,014,841

**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
Pre-Medicare	6.75%	7.75%	8.75%
Medicare	16.25%	17.25%	18.25%
Proportionate share of the collective total OPEB liability	\$ 2,036,812	\$ 2,384,673	\$ 2,840,523

#### Note 9. 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 BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 9. Retirement Commitment - Deferred Compensation Plan, *Continued***

Wyoming State Statutes require matching contributions to the plan for each participating employee. Currently, the match established and appropriated by the Wyoming State 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, 2025 totaled \$7,040.

#### **Note 10. Risk Management**

**State self-insurance:** The Business Council participates in the State's self-insurance program, which 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, 2025.

**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 of 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 of the risk for claims incurred by the participants.

During the year ended June 30, 2025, the Business Council contributed up to \$900, \$1,369, \$1,796 and \$2,058 (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, 2025 were \$754,467.

**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 being sued 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, 2025, the Business Council's contributions to the Workers' Compensation Fund were \$44,223.

**Unemployment compensation:** The Business Council does not carry unemployment insurance but pays the cost of actual claims incurred. The Business Council paid no unemployment claims for the year ended June 30, 2025.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 11. Transactions With Related Parties**

The Business Council pays for services provided by the State for certain phone services, 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, 2025 were \$116,587.

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, 2025 was \$33,000.

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, Manufacturing Works, the Small Business Development Center, Small Business Innovation Research - Small Business Technology Transfer, the Procurement Technical Assistance Center, the Technology Business Center, and the Center for Business & Economic Analysis. The total amount expended to UW for the year ended June 30, 2025 was \$1,904,178, of which \$459,875 is included in accounts payable as of June 30, 2025. The Business Council is committed to the amount remaining under these agreements, which totaled \$2,213,265 as of June 30, 2025.

The Business Council, together with the Wyoming Department of Environmental Quality (DEQ), operates a Federal award from the U.S. 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.

#### **Note 12. Commitments and Contingencies**

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

**Federal grants:** Grant monies received and disbursed by the State are for specific purposes and 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, 2025 totaled \$18,672,936. These will be funded by a combination of State appropriations and restricted net position.

**Other commitments and contingencies:** The Business Council has contracted and/or committed funds for various projects, services or other items arising in the normal course of operations. The amounts remaining to complete these commitments totaled approximately \$100,862,226 as of June 30, 2025. These commitments will be funded by a combination of restricted/committed fund balance and current- and prior-year State appropriations and Federal revenues.

## WYOMING BUSINESS COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 13. Pandemic Relief Funding**

Due to the ongoing COVID-19 pandemic, ARPA was passed by the U.S. Congress and signed into law by President Biden on March 11, 2021. Under ARPA, the State was given \$1 billion in State and local fiscal recovery funds to assist in economic recovery and continuing COVID-19 expenses. Of this funding, the Business Council has been allocated \$3.15 million for broadband initiatives and a growth diagnostics and capability building project. The State was also allocated \$109 million for ARPA capital projects funds. Of this amount, the State has awarded the Business Council \$73.4 million for broadband initiatives.

In January 2023, the Business Council received \$19.03 million in Federal ARPA funding from the U.S. Treasury's SSBCI program and created the WYVC program. The receipt represents the first of three tranches to be received that will make up a \$58.43 million award allocation over a nine-year period. The remaining two tranches will be received when certain program requirements are met. The SSBCI program provides funding to governments to empower small businesses to access capital needed to invest in job-creating opportunities as the United States continues to recover from the COVID-19 pandemic, allowing up to 3% to be used for administrative costs incurred in the operation of the program. The Business Council is leveraging these funds to benefit the entrepreneurial ecosystem by building capacity in venture capital. During the year ended June 30, 2025, the Business Council made six direct investments in Wyoming small businesses, totaling \$4,978,574, and one investment in a fund for \$514,198.

#### **Note 14. Beginning Net Position and Fund Balance Restatements**

**Correction of an error in previously issued financial statements (Column 1):** During fiscal year 2025, the Business Council determined that there was an understatement of deposits with the State Treasurer. As a result, deposits with State Treasurer for the General Fund was understated by \$2.2 million as of June 30, 2024. The effects of this change are shown in Column 1 in the table below.

**Correction of an error in previously issued financial statements (Column 2):** During fiscal year 2025, the Business Council determined that there was an \$810,310 understatement in the Pandemic Relief Fund. As a result, accounts payable, services expense, due from primary government, and deferred inflows were improperly stated. The error resulted from not properly identifying expenses incurred by subrecipients under the Coronavirus Capital Projects program. The effects of this change are shown in Column 2 in the table below.

# WYOMING BUSINESS COUNCIL

## NOTES TO FINANCIAL STATEMENTS

### Note 14. Beginning Net Position and Fund Balance Restatements, *Continued*

	June 30, 2024 As Previously Reported	Error Correction (1)	Error Correction (2)	June 30, 2024 As Restated
Government-Wide Governmental Activities	\$ 75,646,936	\$ (2,213,328)	\$ -	\$ 73,433,608
Governmental Funds				
Major Fund:				
General Fund	\$ 11,870,239	\$ (2,213,328)	\$ -	\$ 9,656,911
Economic Development Fund	52,337,667	-	-	52,337,667
Pandemic Relief Fund	(1,377,560)	-	(810,130)	(2,187,690)
Wyoming Venture Capital Fund	12,331,617	-	-	12,331,617
Nonmajor Funds	5,109,172	-	-	5,109,172
	\$ 80,271,135	\$ (2,213,328)	\$ (810,130)	\$ 77,247,677

### Note 15. Subsequent Events

Subsequent to June 30, 2025, three loans totaling \$1,075,000 were approved under the provisions of the Economic Development Fund. They have been distributed in full.

Subsequent to June 30, 2025, the Business Council invested \$2,499,787 in direct investments in Wyoming small businesses and \$575,309 in fund investments.

In September 2025, the Business Council submitted its Final Funding Proposal for Wyoming's allocation of the Broadband Equity, Access, and Deployment (BEAD) program, which was authorized by the Infrastructure Investment and Jobs Act of 2021. Wyoming's total allocation for the BEAD program is \$347,877,921. Authorization for the Business Council to spend project funds is pending approval of the final proposal, which was required to be submitted to the National Institute of Standards and Technology (NIST) and the National Telecommunications and Information Administration (NTIA) divisions of the U.S. Department of Commerce by September 4, 2025. The final proposal is pending approval.

## **REQUIRED SUPPLEMENTARY INFORMATION**



# WYOMING BUSINESS COUNCIL

## BUDGETARY COMPARISON SCHEDULES

Year Ended June 30, 2025

	General Fund					
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	Variance With Final Budget
	Original	Final				
Revenues						
Revenue from primary government	\$ 90,977,306	\$ 135,292,248	\$ 21,520,624	\$ -	\$ 21,520,624	\$ (113,771,624)
Federal revenue	342,905	14,063,957	666,347	-	666,347	(13,397,610)
Investment income	-	294,886	133,991	-	133,991	(160,895)
Revenue from others	290,003	5,489,308	1,060,261	-	1,060,261	(4,429,047)
Charges for sales and services	137,215	137,215	150,100	-	150,100	12,885
<b>Total revenues</b>	<b>91,747,429</b>	<b>155,277,614</b>	<b>23,531,323</b>	<b>-</b>	<b>23,531,323</b>	<b>(131,746,291)</b>
Expenditures						
Operations	15,036,285	15,078,273	5,966,063	809,387	6,775,450	8,302,823
Services	9,139,601	22,710,725	3,611,988	6,420,641	10,032,629	12,678,096
Investments	17,070,000	17,314,406	723,925	600,000	1,323,925	15,990,481
Investment-ready communities	50,321,543	99,994,210	2,260,421	31,945,292	34,205,713	65,788,497
Regional offices	180,000	180,000	47,035	-	47,035	132,965
<b>Total expenditures</b>	<b>91,747,429</b>	<b>155,277,614</b>	<b>12,609,432</b>	<b>39,775,320</b>	<b>52,384,752</b>	<b>102,892,862</b>
<b>(Deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,921,891</b>	<b>\$ (39,775,320)</b>	<b>\$ (28,853,429)</b>	<b>\$ (28,853,429)</b>

*Continued*

**WYOMING BUSINESS COUNCIL**

**BUDGETARY COMPARISON SCHEDULES, *Continued***  
**Year Ended June 30, 2025**

	Economic Development Fund					
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	Variance With Final Budget
	Original	Final				
Revenues						
Revenue from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal revenue	-	-	-	-	-	-
Investment income	1,146,943	5,146,943	2,192,028	-	2,192,028	(2,954,915)
Revenue from others	-	-	2,848,886	-	2,848,886	2,848,886
Charges for sales and services	-	-	25,491	-	25,491	25,491
<b>Total revenues</b>	<b>1,146,943</b>	<b>5,146,943</b>	<b>5,066,405</b>	<b>-</b>	<b>5,066,405</b>	<b>(80,538)</b>
Expenditures						
Operations	-	-	-	-	-	-
Services	-	-	-	-	-	-
Investments	1,146,943	5,146,943	1,915,134	935,607	2,850,741	2,296,202
Investment-ready communities	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,146,943</b>	<b>5,146,943</b>	<b>1,915,134</b>	<b>935,607</b>	<b>2,850,741</b>	<b>2,296,202</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,151,271</b>	<b>\$ (935,607)</b>	<b>\$ 2,215,664</b>	<b>\$ 2,215,664</b>

*Continued*

# WYOMING BUSINESS COUNCIL

## BUDGETARY COMPARISON SCHEDULES, *Continued* Year Ended June 30, 2025

	Budgeted Amounts		Pandemic Relief Fund		Total Actual and Encumbrances	Variance With Final Budget
	Original	Final	Actual	Encumbrances		
Revenues						
Revenue from primary government	\$ 72,142,688	\$ 72,142,688	\$ 18,427,711	\$ -	\$ 18,427,711	\$ (53,714,977)
Federal revenue	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Revenue from others	-	-	-	-	-	-
Charges for sales and services	-	-	-	-	-	-
<b>Total revenues</b>	<b>72,142,688</b>	<b>72,142,688</b>	<b>18,427,711</b>	<b>-</b>	<b>18,427,711</b>	<b>(53,714,977)</b>
Expenditures						
Operations	-	-	-	-	-	-
Services	72,142,688	72,142,688	18,427,711	53,768,015	72,195,726	(53,038)
Investments	-	-	-	-	-	-
Investment-ready communities	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-
<b>Total expenditures</b>	<b>72,142,688</b>	<b>72,142,688</b>	<b>18,427,711</b>	<b>53,768,015</b>	<b>72,195,726</b>	<b>(53,038)</b>
<b>(Deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (53,768,015)</b>	<b>\$ (53,768,015)</b>	<b>\$ (53,768,015)</b>

*Continued*

# WYOMING BUSINESS COUNCIL

## BUDGETARY COMPARISON SCHEDULES, *Continued* Year Ended June 30, 2025

	Wyoming Venture Capital Fund					
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	Variance With Final Budget
	Original	Final				
Revenues						
Revenue from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal revenue	900,000	900,000	3,806,970	-	3,806,970	2,906,970
Investment income	-	-	466,922	-	466,922	466,922
Revenue from others	-	-	-	-	-	-
Charges for sales and services	-	-	-	-	-	-
<b>Total revenues</b>	<b>900,000</b>	<b>900,000</b>	<b>4,273,892</b>	<b>-</b>	<b>4,273,892</b>	<b>3,373,892</b>
Expenditures						
Operations	-	-	-	-	-	-
Services	-	-	-	-	-	-
Investments	900,000	900,000	220,917	-	220,917	679,083
Investment-ready communities	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-
<b>Total expenditures</b>	<b>900,000</b>	<b>900,000</b>	<b>220,917</b>	<b>-</b>	<b>220,917</b>	<b>679,083</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,052,975</b>	<b>\$ -</b>	<b>\$ 4,052,975</b>	<b>\$ 4,052,975</b>

## WYOMING BUSINESS COUNCIL

### EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND U.S. GAAP REVENUES AND EXPENDITURES FOR THE GENERAL FUND, THE ECONOMIC DEVELOPMENT FUND, THE PANDEMIC RELIEF FUND, AND THE WYOMING VENTURE CAPITAL FUND Year Ended June 30, 2025

	General Fund	Economic Development Fund	Pandemic Relief Fund	Wyoming Venture Capital Fund
<b>Sources/Inflows of Resources</b>				
Actual amounts "available for appropriation" from the Budgetary Comparison Schedules	\$ 23,531,323	\$ 5,066,405	\$ 18,427,711	\$ 4,273,892
Differences in accrual basis revenues and cash basis budgetary amounts	9,992,236	(1,830,244)	(763,799)	1,807,525
<b>Total revenues and other financing sources reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	<b>\$ 33,523,559</b>	<b>\$ 3,236,161</b>	<b>\$ 17,663,912</b>	<b>\$ 6,081,417</b>
<b>Uses/Outflows of Resources</b>				
Actual amounts "charged to appropriations" from the Budgetary Comparison Schedules	\$ 52,384,752	\$ 2,850,741	\$ 72,195,726	\$ 220,917
Differences in accrual basis expenditures and cash basis budgetary amounts	11,149,595	(1,331,831)	7,359,003	1,412
Encumbrances	(39,775,320)	(935,607)	(53,768,015)	-
<b>Total expenditures reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	<b>\$ 23,759,027</b>	<b>\$ 583,303</b>	<b>\$ 25,786,714</b>	<b>\$ 222,329</b>

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 Ten (10) 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
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%
2022	0.1327583381%	2,024,195	2,420,068	83.64%	86.03%
2023	0.1271578942%	3,474,989	2,388,531	145.49%	75.47%
2024	0.1496265800%	3,396,793	3,009,490	112.87%	80.19%
<b>2025</b>	<b>0.1563856918%</b>	<b>3,261,538</b>	<b>3,316,866</b>	<b>98.33%</b>	<b>82.46%</b>

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to Required Supplementary Information.

# WYOMING BUSINESS COUNCIL

## SCHEDULE OF THE BUSINESS COUNCIL'S CONTRIBUTIONS

### Public Employee Pension Plan

### Last Ten (10) 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
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%
2022	217,849	217,849	-	2,324,967	9.37%
2023	243,573	243,573	-	2,599,497	9.37%
2024	316,304	316,304	-	3,375,714	9.37%
<b>2025</b>	<b>318,890</b>	<b>318,890</b>	<b>-</b>	<b>3,403,303</b>	<b>9.37%</b>

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 Eight (8) 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%
2022	0.31717%	4,182,613	N/A	N/A	0.00%
2023	0.30534%	3,204,769	N/A	N/A	0.00%
2024	0.33943%	2,245,155	N/A	N/A	0.00%
<b>2025</b>	<b>0.32700%</b>	<b>2,384,673</b>	<b>N/A</b>	<b>N/A</b>	<b>0.00%</b>

\* 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, 2025

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#### Note 1. Basis of Presentation - Budgetary Comparison Schedules

The Wyoming Business Council (the Business Council) adopts a biennial budget that is approved by the Wyoming 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 49 is an explanation of differences between budgetary inflows and outflows and U.S. GAAP revenues and expenditures for the General Fund, the Economic Development Fund, the Pandemic Relief Fund, and the Wyoming Venture Capital Fund for the year ended June 30, 2025.

#### 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, 2024 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's (WRS) December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2024 measurement date, as indicated in the table below:

Measurement Date (WRS Year-End)	Discount Rate	Investment Rate of Return	Inflation Rate	Salary Increase Rate	Payroll Growth Rate	Cost of Living Increases
2015	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2016	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2017	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2018	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2019	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2020	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2021	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%
2022	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%
2023	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%
2024	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%

## WYOMING BUSINESS COUNCIL

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2025

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#### 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, 2024 measurement dates.

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

Measurement Date (Year Ended)	Discount Rate	Inflation Rate	Salary Increase 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%
2021	2.16%	2.25%	2.50%-6.50%	7.50%	7.50%
2022	3.54%	2.25%	2.50%-6.50%	7.25%	7.25%
2023	3.65%	2.25%	2.50%-6.50%	7.50%	17.25%
<b>2024</b>	<b>3.93%</b>	<b>2.25%</b>	<b>2.50%-6.50%</b>	<b>7.75%</b>	<b>17.25%</b>

\* Healthcare trend rate.

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

- Healthcare claims costs based on recent experience.
- Retiree contributions.
- Healthcare trend rates.
- Spouse age differential.
- Mortality rates, retirement rates, withdrawal rates, and disability rates based on the WRS's December 31, 2020 actuarial experience study.

## **OTHER GOVERNMENTAL FUNDS**

The Wyoming Business Council's 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.

**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.

**WYOMING BUSINESS COUNCIL**

**COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS**

**June 30, 2025**

	Wyoming Business Council Fund	Rural Rehabilitation Fund	Total
<b>ASSETS</b>			
Deposits With State Treasurer	\$ 269,653	\$ 5,092,401	\$ 5,362,054
Cash and Investments With Trustee	67,100	1,267,728	1,334,828
Interest Receivable	1,564	29,532	31,096
<b>Total assets</b>	<b>\$ 338,317</b>	<b>\$ 6,389,661</b>	<b>\$ 6,727,978</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ 7,937	\$ 7,937
Liability under securities lending	67,100	1,267,728	1,334,828
Due to primary government	23,974	-	23,974
<b>Total liabilities</b>	<b>91,074</b>	<b>1,275,665</b>	<b>1,366,739</b>
Fund Balances			
Restricted	-	5,113,996	5,113,996
Assigned	247,243	-	247,243
<b>Total fund balances</b>	<b>247,243</b>	<b>5,113,996</b>	<b>5,361,239</b>
<b>Total liabilities and fund balances</b>	<b>\$ 338,317</b>	<b>\$ 6,389,661</b>	<b>\$ 6,727,978</b>

**WYOMING BUSINESS COUNCIL**

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

**Year Ended June 30, 2025**

	Wyoming Business Council Fund	Rural Rehabilitation Fund	Total
Revenues			
Investment income	\$ 17,466	\$ 326,000	\$ 343,466
<b>Total revenues</b>	<b>17,466</b>	<b>326,000</b>	<b>343,466</b>
Expenditures			
Services	10,458	80,941	91,399
<b>Total expenditures</b>	<b>10,458</b>	<b>80,941</b>	<b>91,399</b>
<b>Excess of revenues over expenditures</b>	<b>7,008</b>	<b>245,059</b>	<b>252,067</b>
<b>Net change in fund balances</b>	<b>7,008</b>	<b>245,059</b>	<b>252,067</b>
Fund Balances, beginning	240,235	4,868,937	5,109,172
Fund Balances, ending	<u>\$ 247,243</u>	<u>\$ 5,113,996</u>	<u>\$ 5,361,239</u>

# WYOMING BUSINESS COUNCIL

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Small Business Administration:				
State Trade and Export Promotion Pilot Grant Program	59.061	N/A	\$ 85,852	\$ -
<b>Total U.S. Small Business Administration</b>			<b>85,852</b>	<b>-</b>
U.S. Environmental Protection Agency:				
Brownfield Assessment and Cleanup Cooperative Agreements	66.818	N/A	23,917	-
<b>Total U.S. Environmental Protection Agency</b>			<b>23,917</b>	<b>-</b>
U.S. Economic Development Agency:				
Economic Development Cluster:				
Economic Adjustment Assistance	11.307	N/A	218,531	-
<b>Total U.S. Economic Development Agency</b>			<b>218,531</b>	<b>-</b>
U.S. Department of Commerce:				
Research and Development Cluster:				
Broadband Equity, Access, and Deployment Program	11.035	N/A	1,572,300	-
<b>Total U.S. Department of Commerce</b>			<b>1,572,300</b>	<b>-</b>
U.S. Department of the Treasury:				
Passed through the State of Wyoming:				
COVID-19 Coronavirus Capital Projects Fund	21.029	N/A	17,809,457	17,302,760
<b>Total U.S. Department of the Treasury</b>			<b>17,809,457</b>	<b>17,302,760</b>
<b>Total expenditures of Federal awards</b>			<b>\$ 19,710,057</b>	<b>\$ 17,302,760</b>

See Notes to Schedule of Expenditures of Federal Awards.

## WYOMING BUSINESS COUNCIL

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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#### **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. The Business Council provided approximately \$17,303,000 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, 2025. 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.



MHP Assurance Services, LLP

**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 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 (*Government Auditing Standards*), 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, 2025, and the related notes to the financial statements, which collectively comprise the Business Council's basic financial statements, and have issued our report thereon, dated December 17, 2025.

**Report on 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001, that we consider to be a material weakness.



**Report on 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*.

**The Business Council's Response to Finding**

*Government Auditing Standards* require the auditor to perform limited procedures on the Business Council's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Business Council's response was not subject to the other auditing procedures in the audit for financial statements, and accordingly, we express no opinion on the response.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

MHP Assurance Services, LLP

Cheyenne, Wyoming  
December 17, 2025



**MHP Assurance Services, LLP**

**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**

***Opinion on Each Major Federal Program***

We have audited the Wyoming Business Council's (the Business Council) compliance with the types of compliance requirements identified as subject to audit 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, 2025. The Business Council's major Federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Business Council complied, in all material respects, with the 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, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Business Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of the Business Council's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Business Council's Federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Business Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Business Council's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Business Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Business Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Business Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*MHP Assurance Services, LLP*

Cheyenne, Wyoming  
December 17, 2025

## WYOMING BUSINESS COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2025

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#### 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 accounting principles generally accepted in the United States of America (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:

Assistance Listing Number	Name of Federal Program or Cluster
21.029	Coronavirus Capital Projects Fund
11.307	Economic Development Cluster

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

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

## WYOMING BUSINESS COUNCIL

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2025

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#### II. FINANCIAL STATEMENT FINDINGS

##### **2025-001: Internal Controls and Adjustments to Fund Balance (Material Weakness)**

*Criteria:* An internal control structure should be designed to identify adjusting journal entries that are significant to the Wyoming Business Council's (the Business Council) financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Fundamental concepts in an adequate system of internal control are the identification and prevention or detection of errors on a timely basis.

*Condition/context:* Adjusting entries were proposed as follows:

- An adjustment was identified within the Pandemic Relief Fund related to the Coronavirus Capital Projects Fund grant. A portion of the adjustment necessitated a prior-period adjustment of \$810,130.
- An adjustment was identified within the General Fund related to revenue recognition regarding the appropriation from the State. A portion of the adjustment necessitated a prior-period adjustment of \$2,213,328.

*Cause:* The adjustment to the Pandemic Relief Fund was a result of the Coronavirus Capital Project fund grant recipients not timely submitting requests for reimbursement.

Additionally, the adjustment related to the General Fund resulted from the improper application of revenue recognition specific to non-purpose-driven appropriations.

*Effect:* Prior to the proposed audit adjustments, the government-wide and fund level financial statements were not properly stated in accordance with U.S. GAAP.

*Recommendation:* We recommend that the Business Council revise and amend the Coronavirus Capital Projects Fund contracts to require the timely submission of requests for reimbursement.

*Views of responsible officials:* Management concurs with the finding. See Exhibit I for the corrective action plan.

#### III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

## WYOMING BUSINESS COUNCIL

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2025

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#### I. FINANCIAL STATEMENT FINDINGS

##### **2024-001: Internal Controls and Audit Adjustments to Accounts Payable (Material Weakness)**

*Condition/context:* Adjusting journal entries were proposed within the Pandemic Relief Fund as follows:

- To decrease accounts payable and the corresponding expenses by approximately \$3.4 million.
- To decrease revenue from the primary government and deposits with the Wyoming State Treasurer by approximately \$3.4 million.
- To reclassify deposits with the Wyoming State Treasurer to due from primary government by approximately \$5.1 million.
- To defer unavailable revenue by approximately \$1.4 million.

*Recommendation:* We recommend that the Wyoming Business Council (the Business Council) implement a control system to ensure that the pertinent details of all projects project payments are tracked to ensure the proper treatment of expenditures based on their service dates.

*Status:* When the Business Council was evaluating the fiscal year 2024 accounts payable balance in December 2024, it was expected that all reimbursement requests that related to expenditures incurred prior to June 30, 2024 would have been submitted. However, at the end of fiscal year 2025, one internet service provider submitted expenses for one project that dated back to the beginning of the grant in fiscal year 2024. This resulted in a prior-period adjustment.

*Auditor's comments:* The Business Council continues to work on fully implementing its corrective action plan as of June 30, 2025. This finding remains open; see current-year finding at 2025-001.

#### II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

##### **2024-002: Reporting (Significant Deficiency)**

<i>Assistance Listing Number/Title:</i> #11.035, Broadband Equity, Access, and Deployment Program
<i>Federal Agency Name:</i> U.S. Department of Commerce
<i>Award Number:</i> 56-20-B113
<i>Award Years:</i> 12/01/2022 - 11/30/2027
<i>Department:</i> Wyoming Business Council

*Condition/context:* During testing of the semiannual performance report, which provides information on the positions funded or expected to be funded by the Broadband Equity, Access, and Deployment Program, it was noted that the Business Council was inaccurately reporting full-time-equivalent staffing as 3%, when the correct reporting amount should have been 0%.

*Recommendation:* We recommend that the Business Council implement a control procedure to review and approve all program reports to ensure the completeness and accuracy of the information being reported prior to submission.

## **WYOMING BUSINESS COUNCIL**

### **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year Ended June 30, 2025**

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#### **II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued***

*Status:* Prior to submitting reports to the federal agency, the Business Council now meets with its contractor to review information that gets entered into the grants reporting portal. There are additional meetings as necessary during report preparation. The Broadband Manager enters information and data into the reporting portal, and the Accounting Manager reviews it prior to submitting.

*Auditor's comments:* The corrective action plan was implemented. This finding is considered resolved.



## **EXHIBIT I**

### **CORRECTIVE ACTION PLAN**

## **Corrective Action Plan - June 30, 2025**

### **2025-001: Internal Controls and Adjustments to Fund Balance (Material Weakness)**

**Corrective Action:** The Business Council will be working on contract amendments to require that reimbursement requests are submitted in a timely manner for all projects with a remaining grant balance. In addition, the Business Council will be seeking legal guidance to determine whether invoices submitted for reimbursement that contain underlying expenditures that are older than a certain period can be rejected for reimbursement. This will allow Business Council accounting staff an appropriate amount of time to accurately estimate the fiscal year end accounts payable balance in the Pandemic Relief Fund.

Throughout the remainder of fiscal year 2026, the Business Council will work to prepare a workpaper to accurately evaluate and report the Business Council's general fund appropriations as revenue for financial reporting.

**Anticipated Completion Date:** June 30, 2026

**Contact Person:** Lyndsay Orr, Accounting Manager