

WYOMING BUSINESS COUNCIL

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wyoming Business Council
Cheyenne, Wyoming

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Wyoming Business Council (the "Council"), a component unit of the State of Wyoming, as of and for the year ended June 30, 2010, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Wyoming Business Council as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and Required Supplementary Information on pages 2 through 7 and pages 29 through 34, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wyoming Business Council's basic financial statements. The statements listed in the table of contents as supplementary information are presented for purposes of additional analysis of the basic financial statements, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 21, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Wyoming Business Council's annual report, a component unit of the State of Wyoming, presents our discussion and analysis of the Council's financial performance during the fiscal years that ended June 30, 2010 and 2009.

FINANCIAL HIGHLIGHTS

- The Council's assets exceeded its liabilities (net assets) at the close of the most recent fiscal year by \$29.49 million. Of this amount, \$2.95 million may be used to meet ongoing obligations (unrestricted net assets), \$101,714 is invested in capital assets, \$17.25 million is restricted for economic development, \$3.61 million is restricted for business ready communities, \$1.14 million is restricted for workforce housing, \$439,716 is restricted for technology development and \$4.0 million is restricted for rural rehabilitation.
 - Total net assets increased by \$3.03 million from the previous year due to an increase in unrestricted net assets of \$2.56 million, an increase in restricted net assets of \$409,907 and an increase of \$67,005 in amounts invested in capital assets.
 - At the end of the current fiscal year, the Council's governmental funds reported combined fund balances of \$29.38 million. Of this amount, \$82.9 million is reserved for commitments (i.e. encumbrances), \$8.7 million is reserved for loans receivable, and a net unreserved deficit of \$62.22 million which will be funded by a combination of restricted net assets, state appropriations and federal revenues as encumbrances are paid.
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OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The *statement of net assets* reports all assets held and liabilities owed by the Council. Assets are reported when acquired and liabilities when incurred. The difference between the Council's total assets and total liabilities is its *net assets*, 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 Council. Revenues are recognized when earned and expenses are reported when incurred. The statement identifies the extent to which each function of the Council draws from general revenues or is self-sufficient through fees, intergovernmental aid, and other sources of revenues.

The Council's government-wide financial statements are presented on pages 8 and 9.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the 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 Council uses specific funds that have been established to satisfy legal requirements established by external parties or governmental statutes or regulations.

The governmental fund financial statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements. The governmental fund financial statements focus on information about the Council's short-term inflows, outflows, and balances of spendable resources. The governmental fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances.

The *balance sheet* reports information about the 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 assets.

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

The Council's governmental fund financial statements are presented on pages 10 through 13.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of data provided in the government-wide and fund statements. The notes are presented on pages 14 through 28.

Required Supplementary Information

The required supplementary information presents budgetary comparison schedules for the Council's general fund and each of its major governmental funds. The schedule presents the 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 is presented on pages 29 through 34.

Combining Funds Statements

The combining funds statements provide information for non-major governmental funds and are presented immediately following the required supplementary information. Combining funds statements are presented on pages 35 and 36.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Financial Position

The Council's net assets may provide a useful indicator of its financial position. At the end of the current fiscal year, its assets exceeded liabilities by \$29.49 million, which represents an investment of \$101,714 in capital assets, \$26.44 million in restricted net assets (economic development, rural rehabilitation, business ready communities, workforce housing, and technology development), and \$2.95 million in unrestricted net assets. The unrestricted net assets may be used to meet the Council's ongoing obligations.

The Council's net assets increased \$3.03 million during the current fiscal year which can be primarily attributed to an increase of \$2.56 million in unrestricted net assets.

The following condensed statement of net assets presents the Council's financial position for the past two years:

STATEMENT OF NET ASSETS - CONDENSED

	2010	2009
ASSETS		(Restated)*
Current assets	\$ 39,912,606	\$ 35,270,541
Noncurrent assets		
Loans receivable	7,687,599	6,057,628
Capital assets	188,471	34,709
Total assets	\$ 47,788,676	\$ 41,362,878
LIABILITIES		
Current liabilities	\$ 18,232,510	\$ 14,867,370
Noncurrent liabilities	70,929	44,902
Total liabilities	\$ 18,303,439	\$ 14,912,272
NET ASSETS		
Invested in capital assets	\$ 101,714	\$ 34,709
Restricted for economic development	17,246,792	14,038,285
Restricted for rural rehabilitation	3,996,803	3,655,491
Restricted for business ready communities	3,611,520	6,849,222
Restricted for workforce housing	1,136,214	1,026,548
Restricted for technology development	439,716	395,208
Restricted for community facilities	-	56,384
Unrestricted	2,952,478	394,759
Total net assets	\$ 29,485,237	\$ 26,450,606

**See notes to financials for restatement.*

Results of Operations

Revenues exceeded expenditures by \$3.03 million during the current fiscal year. The primary reason is due to an increase of state government revenues of \$2.0 million for the economic development fund and \$2.5 million to fund loans for the business ready communities program.

The following condensed statement of activities presents the Council's results of operations for the past two years:

STATEMENT OF ACTIVITIES - CONDENSED

	2010	2009
REVENUES		(Restated)*
Program revenues	\$ 6,430,469	\$ 4,521,068
General revenues	42,854,221	37,548,672
Total revenues	49,284,690	42,069,740
 EXPENSES		
Administration	1,763,378	1,943,766
Agribusiness	975,141	1,066,598
Business and industry	6,628,077	5,992,326
Regional offices	1,104,993	1,086,528
Investment ready communities	34,173,386	35,707,104
Rural development and Mainstreet	1,605,084	795,622
Total expenses	46,250,059	46,591,944
Change in net assets	\$ 3,034,631	\$ (4,522,204)

**See notes to financials for restatement.*

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

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

Balance Sheet

As of June 30, 2010, the Council's governmental funds reported combined ending fund balances of \$29.38 million, an increase of \$2.97 million from the previous year. A combined unreserved special revenue fund deficit of \$5.69 million represents \$17.2 million that available for spending at the end of the fiscal year for the Council's economic development, rural rehabilitation, business ready communities, workforce housing, and technology development funds, net of an unreserved deficit of \$22.89 million in the American Recovery and Reinvestment fund which will be funded by federal revenues as encumbrances are paid. The combined reserved ending fund balance of \$91.6 million represents funds that are not available for new spending because they have been committed 1) to liquidate \$82.9 million of commitments (i.e. encumbrances), and 2) for \$8.7 million of non-current assets (loans receivable). The unreserved general fund deficit of \$56.52 million will be funded by a combination of state appropriations and federal revenues as encumbrances in that fund are paid.

Of the major funds, the general fund is the main operating fund of the Council. At the end of the current fiscal year, the total fund balance was \$2.73 million. Of this, the unreserved fund balance was a deficit of \$56.52 million. This deficit will be recovered through revenues received from the primary government as expenditures are incurred against encumbered amounts. The majority of the amount reserved for encumbrances in the general fund is for grant funds awarded but not yet paid by the Council's Investment Ready Communities division.

The fund balance of the economic development fund increased \$3.21 million - primarily due to a \$2.0 million appropriation by the Legislature in the current fiscal year and an increase of \$626,788 in income from investments, including an increase in the fair market value of investments. The business ready communities fund balance decreased by \$3.24 million due to current year expenditure of state government revenues received but not spent in

previous fiscal years. The fund balance of the rural rehabilitation fund increased \$341,312 primarily due to an increase in investment income, including an increase in the fair market value of investments.

Revenues and Expenditures

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

SCHEDULE OF REVENUES AND EXPENDITURES GOVERNMENTAL FUNDS

	2010		2009 (Restated)*		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	%
REVENUES						
Revenue from primary government	\$ 41,162,478	83.52%	\$ 37,026,729	88.01%	\$ 4,135,749	11.17%
Federal revenue	5,880,507	11.93%	3,934,520	9.35%	1,945,987	49.46%
Investment income	1,774,150	3.60%	556,329	1.32%	1,217,821	218.90%
Revenue from others	198,844	0.40%	255,770	0.61%	(56,926)	-22.26%
Charges for sales and services	268,711	0.55%	289,608	0.69%	(20,897)	-7.22%
Other	-	0.00%	6,784	0.02%	(6,784)	-100.00%
Total revenues	\$ 49,284,690	100.00%	\$ 42,069,740	100.00%	\$ 7,214,950	17.15%
EXPENDITURES						
Administration	\$ 1,831,561	3.95%	\$ 1,957,625	4.20%	\$ (126,064)	-6.44%
Agribusiness	972,417	2.10%	1,064,407	2.28%	(91,990)	-8.64%
Business and industry	6,630,136	14.31%	5,988,909	12.85%	641,227	10.71%
Regional offices	1,101,724	2.38%	1,083,986	2.33%	17,738	1.64%
Investment ready communities	34,177,886	73.79%	35,704,824	76.63%	(1,526,938)	-4.28%
Rural development and Mainstreet	1,603,340	3.46%	794,220	1.70%	809,120	101.88%
Total expenditures	\$ 46,317,064	100.00%	\$ 46,593,971	100.00%	\$ (276,907)	-0.59%

*See notes to financials for restatement.

Revenues for governmental activities were \$49.28 million for fiscal year 2010, an increase of 17.15% from the previous year. Revenues from primary government increased from the previous fiscal year primarily due to an increase in general funds received to fund loans in the business ready communities program and to fund the economic development fund. Federal revenues increased primarily due to an increase in revenues received for programs funded by the American Recovery and Reinvestment Act of 2009.

Expenditures for governmental activities were \$46.32 million for the current fiscal year, a decrease of 0.59% from fiscal year 2009. While expenditures in the current year increased for programs funded by the American Recovery and Reinvestment Act of 2009, they were offset by decreased expenditures in the business ready communities and community facilities programs and other programs as well.

CAPITAL ASSETS ACTIVITY

The Council's investment in capital assets for its governmental activities as of June 30, 2010 amounted to \$188,471, net of accumulated depreciation of \$319,945. This investment in capital assets includes construction in progress on website development, leasehold improvements, capitalized leases for equipment, intangible assets and furniture, fixtures and equipment. At the end of the fiscal year, the Council had outstanding capital leases payable on equipment totaling \$86,757. The \$153,762 increase in net capital assets from the previous year is due to \$175,918 of current year additions, net of depreciation expense and a loss on the disposal of capital assets totaling \$22,156.

The following is a schedule of capital assets for the past two years:

SCHEDULE OF CAPITAL ASSETS
(net of depreciation)

	2010	2009
		(Restated)*
Construction in progress - intangible asset	\$ 6,224	\$ -
Capitalized leases	83,966	-
Furniture, fixtures and equipment	82,493	34,709
Intangible assets	15,788	-
Total	\$ 188,471	\$ 34,709

**See notes to financials for restatement.*

BUDGETARY HIGHLIGHTS

For the current fiscal year, the Council’s general fund budget was revised primarily for additional appropriations from the Legislature for the economic development program (\$2.0 million) and net appropriations carried over from the previous fiscal year (\$68.54 million) offset by a reduction in the appropriation from the State (\$8.13 million) in response to estimated shortfalls in the State’s revenues as a result of the economic downturn.

Budgeted expenditures for the economic development fund were primarily revised to reflect loans approved under certain provisions of the Wyoming Partnership Challenge Loan program. Budgeted revenues and expenditures for the American Recovery and Reinvestment fund were revised to reflect federal funds awarded to the Council under the American Recovery and Reinvestment Act of 2009. Budgeted expenditures for the rural rehabilitation fund and business ready communities fund were revised to carry over appropriations from a previous fiscal year.

FINANCIAL IMPACTS

Effective for the fiscal year ended June 30, 2010, the Governor reduced State agency appropriations in response to estimated shortfalls in the State’s revenues as a result of the economic downturn. The Council’s reductions to its fiscal year 2010 budget totaled \$8.13 million and primarily targeted the business ready communities and community facilities programs. This reduction was also made in the Council’s appropriation for the 2011/2012 biennium. Even though the State’s economic picture has improved somewhat since the reductions occurred, the Council does not believe that the funding cuts will be restored in the near future.

There are currently no other known facts, decisions, or conditions that are expected to have a significant impact on the Council’s financial position (net assets) or results of operations (revenues, expenses, and other changes in net assets).

REQUESTS FOR INFORMATION

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

WYOMING BUSINESS COUNCIL

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

ASSETS

Current Assets	
Deposits with State Treasurer	\$ 28,424,673
Deposits with Trustee	3,094,023
Deposits in bank	37,104
Accounts receivable	3,095,333
Interest receivable	211,038
Due from primary government	1,631,634
Due from Federal government	2,406,756
Loans receivable, net	1,012,045
Total current assets	39,912,606
Noncurrent Assets	
Loans receivable, net	7,687,599
Capital assets not being depreciated:	
Construction in progress - intangible assets	6,224
Capital assets, net of accumulated depreciation:	
Capitalized leases	83,966
Furniture, fixtures and equipment	82,493
Intangibles	15,788
Total noncurrent assets	7,876,070
Total assets	47,788,676

LIABILITIES

Current Liabilities	
Accounts payable	12,314,424
Liability under securities lending	3,283,535
Due to primary government	2,614,000
Accrued payroll	3,340
Capital leases payable	15,828
Deposits	1,383
Total current liabilities	18,232,510
Noncurrent Liabilities	
Capital leases payable	70,929
Total liabilities	18,303,439

NET ASSETS

Invested in capital assets, net of related capital leases payable	101,714
Restricted for economic development	17,246,792
Restricted for rural rehabilitation	3,996,803
Restricted for business ready communities	3,611,520
Restricted for workforce housing	1,136,214
Restricted for technology development	439,716
Unrestricted	2,952,478
Total net assets	\$ 29,485,237

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expenses)
		Charges for Sales and Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
Governmental Activities				
Administration	\$ 1,763,378	\$ 24,757	\$ -	\$ (1,738,621)
Agribusiness	975,141	5,035	-	(970,106)
Business and industry	6,628,077	222,299	2,286,986	(4,118,792)
Regional offices	1,104,993	-	-	(1,104,993)
Investment ready communities	34,173,386	-	3,054,588	(31,118,798)
Rural development and Mainstreet	1,605,084	16,620	820,184	(768,280)
Total	\$ 46,250,059	\$ 268,711	\$ 6,161,758	(39,819,590)
General Revenues				
Appropriation from primary government				41,162,478
Investment income				1,492,899
Other				198,844
Total general revenues				42,854,221
Change in net assets				3,034,631
Net Assets, beginning as previously reported				26,656,265
Elimination of the net assets of the Wyoming Tourism Board and correction of loan receivable transferred for Mainstreet program (Note 1)				(205,659)
Beginning Net Assets, as restated				26,450,606
Net Assets, ending				\$ 29,485,237

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	General Fund	Economic Development Fund	American Recovery and Reinvestment Fund	Rural Rehabilitation Fund	Business Ready Communities Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Deposits with State Treasurer	\$ 6,236,244	\$ 11,944,826	\$ -	\$ 4,271,249	\$ 4,047,362	\$ 1,924,992	\$ 28,424,673
Deposits with Trustee	-	2,037,375	-	728,374	-	328,274	3,094,023
Deposits in bank	564	-	-	-	-	36,540	37,104
Accounts receivable	7,933	1,654,606	-	591,531	571,867	269,396	3,095,333
Interest receivable	16,073	157,804	-	25,651	-	11,510	211,038
Due from primary government	373,440	-	1,258,194	-	-	-	1,631,634
Due from Federal government	798,590	-	1,608,166	-	-	-	2,406,756
Loans receivable, net	2,729,376	5,970,268	-	-	-	-	8,699,644
Total assets	\$ 10,162,220	\$ 21,764,879	\$ 2,866,360	\$ 5,616,805	\$ 4,619,229	\$ 2,570,712	\$ 47,600,205
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 6,470,300	\$ 2,352,616	\$ 1,258,194	\$ 847,014	\$ 1,007,709	\$ 378,591	\$ 12,314,424
Liability under securities lending	-	2,162,166	-	772,988	-	348,381	3,283,535
Due to primary government	957,821	3,305	1,608,166	-	-	44,708	2,614,000
Accrued payroll	3,340	-	-	-	-	-	3,340
Deposits	1,383	-	-	-	-	-	1,383
Total liabilities	7,432,844	4,518,087	2,866,360	1,620,002	1,007,709	771,680	18,216,682
Fund Balances							
Reserved for:							
Encumbrances	56,519,441	-	22,890,724	3,500	3,484,525	-	82,898,190
Loans receivable	2,729,376	5,970,268	-	-	-	-	8,699,644
Unreserved fund balance (deficit):							
General fund	(56,519,441)	-	-	-	-	-	(56,519,441)
Special revenue funds	-	11,276,524	(22,890,724)	3,993,303	126,995	1,799,032	(5,694,870)
Total fund balances	2,729,376	17,246,792	-	3,996,803	3,611,520	1,799,032	29,383,523
Total liabilities and fund balances	\$ 10,162,220	\$ 21,764,879	\$ 2,866,360	\$ 5,616,805	\$ 4,619,229	\$ 2,570,712	\$ 47,600,205

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances - governmental funds \$ 29,383,523

Amounts reported for governmental activities in the statement
of net assets are different because:

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

Construction in progress - intangible assets	\$ 6,224	
Leasehold improvements	12,626	
Capitalized leases, net of related capital leases payable	5,516	
Furniture, fixtures and equipment	377,276	
Intangibles	20,017	
Accumulated depreciation	(319,945)	
Total capital assets, net of capital leases payable		<u>101,714</u>

Net assets of governmental activities \$ 29,485,237

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Economic Development Fund	American Recovery and Reinvestment Fund	Rural Rehabilitation Fund	Business Ready Communities Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Revenue from primary government	\$ 41,162,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,162,478
Federal revenue	3,142,126	-	2,738,381	-	-	-	5,880,507
Investment income	17,512	877,859	-	238,755	-	106,321	1,240,447
Net increase in the fair market value of investments	-	313,394	-	150,243	-	70,066	533,703
Revenue from others	198,623	-	-	-	-	221	198,844
Charges for sales and services	72,451	5,808	-	-	-	190,452	268,711
Total revenues	44,593,190	1,197,061	2,738,381	388,998	-	367,060	49,284,690
EXPENDITURES							
Administration	1,801,759	-	-	-	-	29,802	1,831,561
Agribusiness	924,731	-	-	47,686	-	-	972,417
Business and industry	4,634,095	(11,446)	1,815,317	-	-	192,170	6,630,136
Regional offices	1,101,724	-	-	-	-	-	1,101,724
Investment ready communities	30,778,681	-	105,119	-	3,237,702	56,384	34,177,886
Rural development and Mainstreet	785,395	-	817,945	-	-	-	1,603,340
Total expenditures	40,026,385	(11,446)	2,738,381	47,686	3,237,702	278,356	46,317,064
Excess (deficiency) of revenues over expenditures	4,566,805	1,208,507	-	341,312	(3,237,702)	88,704	2,967,626
OTHER FINANCING SOURCES (USES)							
Transfers in	-	2,000,000	-	-	-	8,083	2,008,083
Transfers out	(2,008,083)	-	-	-	-	-	(2,008,083)
Total other financing sources (uses)	(2,008,083)	2,000,000	-	-	-	8,083	-
Net change in fund balances	2,558,722	3,208,507	-	341,312	(3,237,702)	96,787	2,967,626
Fund balances, beginning	159,950	14,038,285	-	3,655,491	6,849,222	1,740,338	26,443,286
Prior period adjustment (Note 1)	10,704	-	-	-	-	(38,093)	(27,389)
Beginning fund balances, restated	170,654	14,038,285	-	3,655,491	6,849,222	1,702,245	26,415,897
Fund balances, ending	\$ 2,729,376	\$ 17,246,792	\$ -	\$ 3,996,803	\$ 3,611,520	\$ 1,799,032	\$ 29,383,523

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
FOR THE YEAR ENDED JUNE 30, 2010**

Net change in fund balances - total governmental funds \$ 2,967,626

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:

Expenditures for capital assets, net of related capital leases payable	\$ 89,163	
Less:		
Current year loss on disposal of capital asset	(37)	
Current year depreciation	(22,121)	67,005

Change in net assets of governmental activities \$ 3,034,631

See Notes to Financial Statements.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

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

B. Financial reporting entity

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

On July 1, 1998, the Council assumed the functions, programs and authority of the Economic Development and Stabilization Board, the Science Technology and Energy Authority, the Wyoming Travel Commission, the Investment Fund Committee, the Small Business Development Center Advisory Board, the Mid-American Manufacturing Technology Center Industrial Advisory Board and Partner Steering Committee, the Department of Agriculture Promotion and Marketing Division, the Department of Commerce Division of Economic and Community Development and Division of Tourism and State Marketing. The Council is also charged with administering the Wyoming Partnership Challenge Loan Program.

On February 21, 2001, the Council established Wyoming Economic and Workforce Development, Inc. (the "WEWD"), a 501(c)(3) corporation. The WEWD was formed to support the Council's economic development, expansion and workforce training efforts in the State of Wyoming by soliciting funds through a combination of fees, private contributions and grants. It began operations in fiscal year 2002 and is presented herein as a blended component unit. The financial information of the WEWD is presented as the Economic and Workforce Development Fund in the other governmental funds' column of the balance sheet and statement of revenues, expenditures and changes in fund balance.

Effective April 1, 2003, the Legislature created the Wyoming Tourism Board that is composed of nine members appointed by the Governor. The tourism board is responsible for implementing the tourism program and functions originally assigned to the Council under the Wyoming Economic Development Act, including the expenditure of all funds appropriated for the tourism program. In prior years, the activity of the Wyoming Tourism Board has been included in the financial statements of the Council. It has been determined that the Wyoming Tourism Board is not a component unit of the Council; for this reason, the financial information of the Wyoming Tourism Board has been excluded from the Council's financial statements and will be included in the State's Comprehensive Annual Financial Report. Beginning net assets in the statement of activities has been restated to eliminate the net assets of the Wyoming Tourism Board and correction of loan receivable transferred for Mainstreet program in the amount of \$205,659.

C. Government-wide financial statements

The statement of net assets and statement of activities display information about the Council as a whole. Eliminations have been made to minimize the double counting of internal activities.

The statement of net assets reports all of the 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 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 total assets and total liabilities show the Council's net assets. Net assets are reported as restricted when constraints are placed on their use by creditors, grantors, or laws or regulations of other governments.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The statement of activities presents a comparison between direct expenses and program revenues for each function of the 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. Revenues that are not classified as program revenues are presented as general revenues.

D. Fund financial statements

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

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

Economic Development Fund – used to account for economic development efforts of the Council; primarily, the activities of the following loan portfolios: Challenge loans, Economic disaster loans, Bridge loans and Amendment IV loans. Revenues consist primarily of interest income.

American Recovery and Reinvestment Fund – used to account for Federal funds awarded to the Council under the American Recovery and Reinvestment Act of 2009.

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.

Business Ready Communities Fund – used to account for the business ready communities program that provides funding for cities, towns, counties and joint powers boards for economic development infrastructure projects.

E. Basis of accounting

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the 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.

Governmental fund financial statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

The Council reports deferred revenue on its statement of net assets and governmental fund balance sheet. Deferred revenues for governmental fund reporting purposes arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also arises when resources are received by the Council before it has legal claim to them, as when grant funds are received prior to the occurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The Council has restated beginning fund balances in the statement of revenues, expenditures and changes in fund balances. The beginning fund balances in the General Fund and Wyoming Business Council Fund were reduced \$16,622 and \$38,093, respectively, to eliminate amounts attributable to the Tourism program.

F. Budgets

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

The Legislature appropriates substantially cash basis budgets for programs within an agency. The State’s legal level of budgetary control is at the program level and the Governor must approve all changes in appropriations at the program level. Some unencumbered appropriations lapse at the end of each biennium. Encumbrances are reported as a reservation of fund balance in the governmental funds balance sheet and carried forward for use in future years.

Legislative appropriation, as amended, for the period July 1, 2008 through June 30, 2010	\$206,856,820
Actual expenditures (non-GAAP budgetary basis) for the period July 1, 2008 through June 30, 2010	\$175,477,843

G. Deposits with State Treasurer

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

Current statutes require all cash and investments of State agencies, including the Council, to be pooled and invested by the Wyoming State Treasurer’s Office. The State Treasurer maintains six different cash and investment pools, only one of which is participated in by the Council (the state agency pool). The Council’s allocation of the state agency pool is .35%. Earnings from the state agency pool are credit monthly, utilizing a formula based on the average daily balance, to the applicable account and funds. The Council accounts for its allocation of investments at fair value, as determined by quoted market prices, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investments with original maturities of 12 months or less are accounted for at amortized cost.

H. Receivables

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

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

I. Loans and allowance for loan losses

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

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

It is the policy of the 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. Loans are charged against the allowance when management believes the collection of the principal balance is unlikely. Recoveries of amounts previously charged off are credited to the allowance. The amount of provision is based on management's evaluation of the loan portfolio, including assessment of the likelihood of reimbursement on defaulted loans.

J. Securities lending collateral

Securities on loan for cash collateral are reported in the statement of net assets as deposits with Trustee. Liabilities resulting from the security lending transactions are also reported. Additional disclosures describing security-lending transactions are provided in Note 2.

K. Capital assets

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

	<u>Years</u>
Leasehold improvements	Life of the lease
Furniture, fixtures and equipment	3-14
Intangible assets	3-10

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

The intangible assets of the Council at June 30, 2010 are computer software and website development costs, which were capitalized for GASB 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.

L. Grants payable

In certain cases where grantees incur qualified reimbursable expenditures on a grant prior to year end, but have not yet invoiced the Council for these amounts, the Council estimates the amount due to the grantee at year end based on the percentage completion of the project. The estimated percentage of completion is multiplied by the total grant amount, and then previous and accrued payments to the grantee are subtracted. The corresponding result is recorded as a payable in the financial statements as of June 30, 2010.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

M. Encumbrance accounting

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds is recorded to reserve that portion of the applicable appropriation, and is employed for governmental fund financial statements. Encumbrances outstanding at June 30, 2010, for which the goods or services have not been received, are shown as a reservation of fund balance in the governmental funds balance sheet.

N. 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.

O. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note 2. DEPOSITS WITH STATE TREASURER

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

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

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

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

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

WYOMING BUSINESS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Council's policy for managing its exposure to fair value loss arising from interest rate changes on internally invested funds is to limit the maturity of all securities to less than one year.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial credit risk: Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the State will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The State does not have a formal investment policy for custodial credit risk. Investments are held in safekeeping by external custodians in the State's name.

The Council's investments held by the State Treasurer's Office at June 30, 2010 are presented as follows:

	Fair Value	Percentage
Cash	\$ 12,899,703	45.38%
Investment Type:		
Alternative investments	1,192,019	4.19%
Fixed income investments	13,765,667	48.43%
Foreign currency fund	567,284	2.00%
Total deposits with State Treasurer	\$ 28,424,673	100.00%

Credit risk: The credit risk disclosures for the Council's portion of the State's fixed income investments are presented as follows:

Category	Credit Rating	Market Value	Percentage of Total Investments
Fixed Income	AAA	\$ 7,670,902	55.72%
Fixed Income	AA	260,843	1.89%
Fixed Income	A	1,237,541	8.99%
Fixed Income	BBB	1,363,001	9.90%
Fixed Income	BB	446,087	3.24%
Fixed Income	B	217,603	1.58%
Fixed Income	CCC	71,175	0.52%
Fixed Income	CC	11,511	0.08%
Fixed Income	C	2,140	0.02%
Fixed Income	D	89	0.00%
Fixed Income	NR	2,484,775	18.05%
		\$ 13,765,667	100.00%

Administratively, the State manages interest rate risk of decreasing market value on its fixed investment portfolio arising from increasing interest rates by managing the average life of the fixed income portfolio. These securities have a concentration of U.S. Government agency securities holding AAA ratings.

WYOMING BUSINESS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Interest rate risk: The interest rate disclosure for the Council’s portion of the State fixed income investments is presented below.

Category	Market	Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Fixed Income	\$ 13,765,667	\$ 4,797,873	\$ 5,114,586	\$ 2,850,422	\$ 1,002,786

Foreign currency risk: As of June 30, 2010, the Council’s exposure to foreign currency risk for its fixed income and equity securities is shown below:

Denomination	Foreign Cash (MV)	Foreign Fixed Income (MV)	Foreign Derivatives (MV or URGL)	Foreign Equities (MV)	Total Foreign Currency
Foreign Currency	\$ 567,284	\$ 12,937	\$ 545,034	\$ 9,313	\$ 1,134,568

Highly sensitive securities: The Wyoming State Treasurer’s fixed income portfolios hold securities that are classified as “highly sensitive.” These securities, because of their specific type and structure, are rate sensitive as market conditions change.

Derivatives: The State of Wyoming permits the use of derivatives by its international equity and external fixed income managers. Examples of derivative instruments permitted, but not limited to, are foreign exchange contracts, financial futures, forwards, options, swaps and swaptions. All derivative instruments utilized are considered “Investment derivative instruments” as defined in GASB 53, *Accounting and Financial Reporting for Derivative Instruments*.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2010, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reporting in the 2010 financial statements are as follows:

Investment Derivative	Change in Fair Value Amount (Base)	Fair Value Amount (Base)	Notional
Futures	\$ 21,909	\$ 1,021	\$ 3
Options	10,664	(6,466)	(502,368)
Swaps	17,124	1,054	5,370,842
To-be-announced securities (TBAs)	69,189	1,190,399	1,114,202
Forward currency contracts	42,454	6,011	21,039,897
	\$ 161,340	\$ 1,192,019	\$ 27,022,576

Derivatives – risks: Credit, interest rate and foreign currency risks are addressed in previous sections of Note 2. These risks, applicable to other fixed income and foreign investments, are not substantially different from principal risks associated with derivative instruments.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

In addition to the principal risks noted above, Forward Foreign Currencies, Credit Default Swaps and Interest Rate Swaps are also subject to counterparty risk. In general, counterparty risk is the risk of loss of an amount expected to be delivered under an agreement in the event of the default or bankruptcy of the counterparty. Generally, counterparty risk is controlled through dealing with a number of different counterparties reasonably deemed to be creditworthy by the investment manager. Counterparty risk with swaps is limited by execution under standardized International Swap and Derivatives Association Agreements. These contracts allow for the mutual exchange of collateral should an overall unsecured market value exceed a certain threshold (e.g., \$250,000).

<u>Derivative Instrument</u>	<u>Counterparty Credit Rating</u>
Futures	A
Futures	AA
Options	A
Options	AA
Swaps	A
Swaps	AA
Swaps	AAA
TBAs	A
TBAs	AA
Forward Currency Contracts	A
Forward Currency Contracts	AA

Derivatives – contingency: Derivative instruments often contain credit-risk-related contingent features that could result in an immediate payment to the counterparty. For example, a material adverse change clause could provide the counterparty with the right to early terminate the derivative agreement. Alternatively, it could provide a basis for renegotiating the agreement if specific events occur, such as a downgrade of the entity’s credit rating below investment grade. These provisions may include an obligation to post additional collateral in instances where the credit-risk contingent feature is triggered or the counterparty is provided the right to terminate the agreement early.

Contingent features that could result in an immediate payment from the counterparty are the event of a downgrade of the counterparty below a specified rating, commonly A-/A3. Additionally, the counterparty can request immediate payment in the event assets under management of the portfolio falls below 30% in a year or 15% in a month. It is important to note that these contingent features are not compulsory, rather they are voluntary.

Securities lending transactions: 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% to 105% of value for other securities. The State, through its agents, measures the fair value of the securities loaned against the fair value of the collateral on a daily basis. Additional collateral is obtained as necessary to ensure such transactions are adequately collateralized. Securities lent for securities collateral are classified according to the category of the collateral. At year-end, the State has no credit risk exposure to borrowers because the amounts the State owes the borrowers exceed the amounts the borrowers owe the State. The contract with the State’s agent requires it 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 of income distributions by the securities’ issuers while the securities are on loan.

The State’s Master Investment Policy does not provide a policy for foreign currency denomination diversification, with the exception of Global Fixed Income Managers. To hedge currency exposure, the portfolio may use foreign exchange forwards, futures, or currency options. The portfolio must remain at least seventy percent (70%) hedged against foreign currency exposure at all times.

WYOMING BUSINESS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

The following represents the Council's balances relating to the securities lending transactions at June 30, 2010:

	Fair Value Underlying Securities	Cash Collateral Received/ Securities Collateral Value
Securities Lent:		
Lent for cash collateral:		
U.S. Governments	\$ 908,981	\$ 878,292
U.S. Government Agencies	1,415,150	1,365,275
Corporate Securities	586,393	571,457
Equities	483,095	468,511
Total lent for cash collateral	3,393,619	3,283,535
Lent for securities collateral:		
U.S. Governments	420,159	432,068
U.S. Government Agencies	5,424	5,643
Total lent for bulk (securities) collateral	425,583	437,711
Total securities lending	\$ 3,819,202	\$ 3,721,246

Credit risk: The credit risk disclosures for the Council's share of the State's securities lending program are presented as follows:

Category	Credit Rating	Cash Collateral Purchased	Percentage of Total Investments
Fixed Income	A-1	\$ 2,672,431	86.37%
Fixed Income	AAA	60,024	1.94%
Fixed Income	AA	146,100	4.72%
Fixed Income	B	619	0.02%
Fixed Income	CCC	171,223	5.53%
Fixed Income	CC	16,089	0.52%
Fixed Income	D	1,547	0.05%
Fixed Income	NR	25,990	0.84%
		\$ 3,094,023	100.00%

The market value reflected in the above table, of collateral securities purchased with cash received from securities lending practices, is \$189,512 less than cash collateral received. This means the Council would require at least an additional \$190,000 in cash to satisfactorily liquidate all outstanding securities lending transactions as of June 30, 2010.

Concentration of credit risk: The State's securities lending program does not have any concentration of credit risk exposure.

WYOMING BUSINESS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Interest rate risk: The State has chosen the segmented time distribution method for its Interest Rate Disclosure. This method most closely matches how the State manages interest rate risk. There is minimal interest rate risk due to the average life of the security lending portfolio. The maturity assumptions of average life of the Council's portion of the security lending portfolio are displayed in the following table:

Category	Market	Less Than 1 Year	Over 10 Years
Fixed Income	\$ 3,094,023	\$ 2,837,219	\$ 256,804

Foreign currency risk: The State had no foreign currency exposure in its securities lending program.

Highly sensitive securities: There are no highly sensitive securities to disclose for the State's securities lending program.

Note 3. LOANS RECEIVABLE

Interest rates on accrual loans vary from 1.0% to 8.5% and have varying maturity dates through 2020; collateral includes personal guarantees, mortgages on real estate, and liens on receivables, inventory, furniture, equipment and crops. At June 30, 2010, loans receivable included outstanding loans to two major loan customers totaling \$2,600,774, which comprised 27% of gross loans receivable as of that date. There was \$148,719 of non-accruing loans which were fully reserved as of June 30, 2010. There was one loan of \$65,000 charged off during the year ended June 30, 2010.

Loans receivable as of June 30, 2010 are as follows:

	<u>Loan Type</u>	<u>Gross Balance</u>	<u>Allowance</u>	<u>Net Balance</u>
General Fund	Mainstreet	\$ 128,602	\$ -	\$ 128,602
General Fund	Business Ready Community	2,600,774	-	2,600,774
Economic Development Fund	Amendment IV	538,038	220,743	317,295
Economic Development Fund	Challenge	798,312	54,120	744,192
Economic Development Fund	Economic disaster	1,599,966	169,609	1,430,357
Economic Development Fund	Bridge	3,688,182	227,008	3,461,174
Economic Development Fund	Mainstreet	17,250	-	17,250
Technology Development Fund	STE A	<u>148,719</u>	<u>148,719</u>	<u>-</u>
		<u>\$ 9,519,843</u>	<u>\$ 820,199</u>	<u>\$ 8,699,644</u>

WYOMING BUSINESS COUNCIL

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Note 4. CAPITAL ASSETS

Capital asset activity in the government-wide financial statements for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress - intangibles	\$ -	\$ 6,224	\$ -	\$ 6,224
Capital assets being depreciated:				
Leasehold improvements	12,626	-	-	12,626
Capitalized leases – equipment	-	92,273	-	92,273
Furniture, fixtures and equipment	387,463	57,404	(67,591)	377,276
Intangible assets	<u>60,000</u>	<u>20,017</u>	<u>(60,000)</u>	<u>20,017</u>
Total capital assets being depreciated	<u>460,089</u>	<u>169,694</u>	<u>(127,591)</u>	<u>502,192</u>
Less accumulated depreciation:				
Leasehold improvements	(12,626)	-	-	(12,626)
Capitalized leases - equipment	-	(8,306)	-	(8,306)
Furniture, fixtures and equipment	(352,752)	(9,585)	67,554	(294,783)
Intangible assets	<u>(60,000)</u>	<u>(4,230)</u>	<u>60,000</u>	<u>(4,230)</u>
Total accumulated depreciation	<u>(425,378)</u>	<u>(22,121)</u>	<u>127,554</u>	<u>(319,945)</u>
Capital assets, net	<u>\$ 34,711</u>	<u>\$ 153,797</u>	<u>\$ (37)</u>	<u>\$ 188,471</u>

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 7,410
Agribusiness	2,724
Business and industry	4,141
Regional offices	3,269
Investment ready communities	2,833
Rural development and Mainstreet	<u>1,744</u>
	<u>\$ 22,121</u>

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Note 5. LEASE OBLIGATIONS

The Council has entered into various lease agreements for office space and equipment which have been accounted for as either operating leases or capital leases. The lease terms vary in range, extending through July 2015.

Operating leases: Expenditures or expenses on operating leases are recognized as incurred. Total rent expense for these operating leases for the year ended June 30, 2010 was \$181,023. Future minimum lease payments for operating leases are as follows:

Year Ending <u>June 30</u>	<u>Amount</u>
2011	\$ 127,893
2012	125,367
2013	11,079
2014	9,444
2015	7,765
Thereafter	<u>506</u>
Total minimum payments	<u>\$ 282,054</u>

Capital leases: The gross amount of assets recorded under capital leases as of June 30, 2010 was \$92,273 with accumulated depreciation of \$8,306. Future minimum lease payments for capital leases are as follows:

Year Ending <u>June 30</u>	<u>Amount</u>
2011	\$ 24,437
2012	24,437
2013	24,437
2014	24,437
2015	<u>12,219</u>
Total minimum payments	109,967
Less: interest	<u>(23,210)</u>
Present value of lease payments	<u>\$ 86,757</u>

Note 6. PENSION AND RETIREMENT PLANS

Wyoming Retirement System – All full-time or regular part-time employees of the Council participate in the Wyoming Retirement System (WRS). The plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. The plan provides retirement, disability and death benefits according to pre-determined formulas and allows retirees to select one of seven optional methods for receiving benefits. Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through the date of termination or, if they are vested, they may elect to remain in the plan and be eligible for retirement benefits at age 50. The WRS issues a stand-alone financial report that can be obtained by writing to: Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, Cheyenne, WY 82002 or by calling (307) 777-7691.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Statutes require contributions to the plan equal to 11.25% of the participating employee's salary. The Council pays 100% of the required contribution. Contributions made by the Council to WRS for the years ended June 30, 2010, 2009 and 2008 were \$366,072, \$347,853 and \$326,392, respectively.

Deferred Compensation Plan – The State also 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 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 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 Council's financial statements as an agency since the deferred compensation plan is managed on a statewide basis.

Effective July 2001, statutes require matching contributions to the plan for each participating employee. Currently, the match established and appropriated by the Legislature for each participating employee is \$20 per month. Matching contributions made by the Council to the deferred compensation plan for the year ended June 30, 2010 totaled \$9,480.

Note 7. RISK MANAGEMENT

State self-insurance – The Council participates in the State self-insurance program that was created to handle property, casualty and liability insurance claims brought against the State. The State generally does not maintain reserves; losses are covered by a combination of appropriations from the State's general fund in the year in which the payment occurs and by assessing State agencies a pro-rata share of anticipated claims expenditures for the fiscal year. The Council was not assessed claims charges for the year ended June 30, 2010.

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

During the year ended June 30, 2010, the Council contributed up to \$551, \$838, \$1,094, and \$1,249 (for single, dependent, married, and family coverage, respectively) per month for insurance premiums, plus 90% of the monthly premiums in excess of these amounts for each covered participant towards these plans, excluding long-term disability and vision premiums. Participants are responsible for paying premium charges in excess of this amount plus long-term disability and vision premiums. Total group insurance premiums paid by the Council for the year ended June 30, 2010 were \$541,083.

Workers' compensation – Wyoming Statute 27-14-101 created the Wyoming Workers' Compensation Act (the "Act"). The Act requires all employers engaged in extra-hazardous employment to obtain liability coverage for the payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. Eligible employers that comply with the provisions of the Act are generally protected from suit by employees. Employers not required by the Act to participate in this program may elect to do so at their option. For the year ended June 30, 2010, the Council's contributions to the Workers' Compensation Fund were \$39,863.

Unemployment compensation – The Council does not carry unemployment insurance but pays the cost of actual claims incurred. The Council paid \$11,388 for unemployment claims for the year ended June 30, 2010.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Note 8. TRANSACTIONS WITH THE STATE

The Council pays for services provided by the State for certain phone service, computer processing, motor pool vehicles, State plane usage, loan exam services and central mail. Total amounts expended for these services for the year ended June 30, 2010 were \$307,100.

The Council has entered into several agreements with the University of Wyoming (UW) to fund various projects which include the Market Research Center, Research Product Center, Manufacturing-Works (formerly known as the Mid-America Manufacturing Technical Centers), Small Business Development Centers, Small Business Innovation Research, Government Resources and Opportunities for Business (GRO-Biz), Technology Business Center and Small Business Technology Transfer programs. Total amounts expended to UW for the year ended June 30, 2010 were \$2,574,617, of which \$417,061 is included in accounts payable as of June 30, 2010. The Council is contingently liable for amounts remaining under these agreements in the amount of \$526,931 as of June 30, 2010. Additional agreements with UW were executed in relation to the NCAR Supercomputer (see Note 9) as of June 30, 2010.

Note 9. COMMITMENTS AND CONTINGENCIES

Relationship with primary government – The Council receives a significant portion of its revenues directly from the State of Wyoming and the continued operation of the Council is dependent upon actions of the Legislature. Effective for the fiscal year ended June 30, 2010, the Governor reduced State agency appropriations in response to estimated shortfalls in the State's revenues as a result of the economic downturn. The Council's reductions to its fiscal year 2010 budget total \$8,131,066.

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

Loans – Loans approved by the Council's Board of Directors but undistributed as of June 30, 2010 totaled \$2,831,955. Of these, \$399,226 will be funded out of the general funds appropriated for the business ready community loan program, and the remaining amount will be funded out of the cash balance in the economic development fund.

NCAR Supercomputer – During the 2007 general session, the Legislature appropriated \$20 million dollars to the Council for the construction of a supercomputer facility in the State. The Council was authorized to enter into a contract with the National Center for Atmospheric Research (NCAR), through its parent, the University Center for Atmospheric Research (UCAR) for the construction of such a facility. None of the funds appropriated could be expended until:

- 1) NCAR secured authorization and funding from the National Science Foundation to locate the supercomputer in Wyoming;
- 2) NCAR entered into a binding contractual agreement with a utility company whereby the utility company agreed to provide the necessary electrical infrastructure for the operation of the supercomputer;
- 3) Real property was secured for the location of the supercomputer center;
- 4) NCAR, UW and the Council entered into a final contract delineating access to the capacity of the supercomputer;
- 5) NCAR, UW, and the Council entered into a final contract regarding the location and construction of the building to house the supercomputer; and
- 6) Sufficient industrial development revenue bonds were secured for the construction of the supercomputer facility.

WYOMING BUSINESS COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The 2007 appropriation originally carried a sunset date of June 30, 2010 at which time any funds not obligated or expended would revert to the general fund. Subsequent legislation extended the sunset date to June 30, 2013 and redirected \$4.25 million of the \$20 million appropriation from the Council to UW for architectural and engineering services for the construction of the supercomputer facility.

Prior to the current fiscal year, none of the required agreements had been executed; during fiscal year 2010, all of the required agreements had been executed with the exception of NCAR/utility company contract (item number 2 above). Sufficient funding was obtained by NCAR from the National Science Foundation which excluded the need for industrial development revenue bonds for the construction of the facility (item number 6 above).

As of June 30, 2010, the Council had entered into an agreement with UCAR for the remaining \$15.75 million appropriation which would become due and payable when the NCAR/utility company contract was executed (see Note 10).

Other commitments and contingencies – The 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 \$82,452,874 as of June 30, 2010. These commitments will be funded by a combination of restricted net assets, State appropriations and Federal revenues.

Note 10. SUBSEQUENT EVENTS

The Council has entered into various agreements subsequent to June 30, 2010, primarily with local governments for economic development infrastructure projects and for energy efficiency projects during the period July 1, 2010 through August 30, 2016. These agreements are valued at up to but no more than \$21,197,028. These agreements will be funded by a combination of State appropriations and Federal revenues.

The Council distributed \$399,226 subsequent to June 30, 2010, out of general funds for the business ready community loan program for a loan approved but undistributed as of June 30, 2010.

Subsequent to June 30, 2010, the Council approved the write-off of \$103,416 of loans funded out of the economic development fund. These loans were fully reserved as of June 30, 2010.

The final agreement related to the NCAR Supercomputer facility was executed after June 30, 2010 and the Council distributed \$15.75 million to UCAR (see Note 10).

REQUIRED SUPPLEMENTARY INFORMATION

The Council's required supplementary information includes the budgetary comparison schedules as described in the following Notes to Required Supplementary Information.

Note 1. BASIS OF PRESENTATION

The Council adopts a biennial budget that is approved by the State Legislature. The 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 budget 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

The schedule on page 34 is an explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures for the General Fund, Economic Development Fund, American Recovery and Reinvestment Fund, Rural Rehabilitation Fund, and Business Ready Communities Fund for the year ended June 30, 2010.

WYOMING BUSINESS COUNCIL

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	General Fund					Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	
	Original	Final				
REVENUES						
Revenue from primary government	\$ 56,262,086	\$ 116,645,048	\$ 39,700,587	\$ -	\$ 39,700,587	\$ (76,944,461)
Federal revenue	4,003,055	5,863,490	2,828,391	-	2,828,391	(3,035,099)
Investment income	-	-	-	-	-	-
Revenue from others	52,975	240,475	306,837	-	306,837	66,362
Charges for sales and services	-	105,900	65,149	-	65,149	(40,751)
Total revenues	60,318,116	122,854,913	42,900,964	-	42,900,964	(79,953,949)
EXPENDITURES						
Administration	2,335,684	19,790,182	2,249,086	360,606	2,609,692	17,180,490
Agribusiness	895,204	837,448	840,004	19,227	859,231	(21,783)
Business and industry	3,683,096	7,217,357	6,086,176	987,068	7,073,244	144,113
Regional offices	1,201,070	1,124,544	1,040,170	14,738	1,054,908	69,636
Investment ready communities	51,379,647	92,584,153	31,861,107	60,698,356	92,559,463	24,690
Rural development and Mainstreet	823,415	1,301,229	824,421	282,386	1,106,807	194,422
Total expenditures	60,318,116	122,854,913	42,900,964	62,362,381	105,263,345	17,591,568
(Deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ (62,362,381)	\$ (62,362,381)	\$ (62,362,381)

WYOMING BUSINESS COUNCIL

**BUDGETARY COMPARISON SCHEDULE (Continued)
ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Economic Development Fund					Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	
	Original	Final				
REVENUES						
Revenue from primary government	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 2,000,000
Federal revenue	-	-	-	-	-	-
Investment income	570,438	570,438	848,577	-	848,577	278,139
Revenue from others	-	-	769,900	-	769,900	769,900
Charges for sales and services	-	-	5,808	-	5,808	5,808
Total revenues	570,438	570,438	3,624,285	-	3,624,285	3,053,847
EXPENDITURES						
Administration	-	-	-	-	-	-
Agribusiness	-	-	-	-	-	-
Business and industry	570,438	1,566,321	741,302	-	741,302	825,019
Regional offices	-	-	-	-	-	-
Investment ready communities	-	-	-	-	-	-
Rural development and Mainstreet	-	-	-	-	-	-
Total expenditures	570,438	1,566,321	741,302	-	741,302	825,019
Excess (deficiency) of revenues over expenditures	\$ -	\$ (995,883)	\$ 2,882,983	\$ -	\$ 2,882,983	\$ 3,878,866

WYOMING BUSINESS COUNCIL

**BUDGETARY COMPARISON SCHEDULE (Continued)
AMERICAN RECOVERY AND REINVESTMENT FUND
FOR THE YEAR ENDED JUNE 30, 2010**

American Recovery and Reinvestment Fund						
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Revenue from primary government	\$ -	\$ -	\$ 1,087,217	\$ -	\$ 1,087,217	\$ 1,087,217
Federal revenue	-	37,870,405	1,130,215	-	1,130,215	(36,740,190)
Investment income	-	-	-	-	-	-
Revenue from others	-	-	-	-	-	-
Charges for sales and services	-	-	-	-	-	-
Total revenues	-	37,870,405	2,217,432	-	2,217,432	(35,652,973)
EXPENDITURES						
Administration	-	-	-	-	-	-
Agribusiness	-	-	-	-	-	-
Business and industry	-	35,294,374	1,307,778	21,772,358	23,080,136	12,214,238
Regional offices	-	-	-	-	-	-
Investment ready communities	-	857,718	91,709	766,009	857,718	-
Rural development and Mainstreet	-	1,718,313	817,945	878,353	1,696,298	22,015
Total expenditures	-	37,870,405	2,217,432	23,416,720	25,634,152	12,236,253
(Deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ (23,416,720)	\$ (23,416,720)	\$ (23,416,720)

WYOMING BUSINESS COUNCIL

**BUDGETARY COMPARISON SCHEDULE (Continued)
RURAL REHABILITATION FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Rural Rehabilitation Fund					Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	
	Original	Final				
REVENUES						
Revenue from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal revenue	-	-	-	-	-	-
Investment income	-	77,334	226,599	-	226,599	149,265
Revenue from others	-	-	-	-	-	-
Charges for sales and services	-	-	-	-	-	-
Total revenues	-	77,334	226,599	-	226,599	149,265
EXPENDITURES						
Administration	-	-	-	-	-	-
Agribusiness	-	77,334	48,186	5,500	53,686	23,648
Business and industry	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-
Investment ready communities	-	-	-	-	-	-
Rural development and Mainstreet	-	-	-	-	-	-
Total expenditures	-	77,334	48,186	5,500	53,686	23,648
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ 178,413	\$ (5,500)	\$ 172,913	\$ 172,913

WYOMING BUSINESS COUNCIL

**BUDGETARY COMPARISON SCHEDULE (Continued)
BUSINESS READY COMMUNITIES FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Business Ready Communities Fund					Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	Encumbrances	Total Actual and Encumbrances	
	Original	Final				
REVENUES						
Revenue from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal revenue	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Revenue from others	-	-	-	-	-	-
Charges for sales and services	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
EXPENDITURES						
Administration	-	-	-	-	-	-
Agribusiness	-	-	-	-	-	-
Business and industry	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-
Investment ready communities	-	3,999,392	2,080,597	1,918,795	3,999,392	-
Rural development and Mainstreet	-	-	-	-	-	-
Total expenditures	-	3,999,392	2,080,597	1,918,795	3,999,392	-
(Deficiency) of revenues over expenditures	\$ -	\$ (3,999,392)	\$ (2,080,597)	\$ (1,918,795)	\$ (3,999,392)	\$ -

WYOMING BUSINESS COUNCIL

**EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES
GENERAL FUND, ECONOMIC DEVELOPMENT FUND, AMERICAN RECOVERY AND REINVESTMENT
FUND, RURAL REHABILITATION FUND, AND BUSINESS READY COMMUNITIES FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	General Fund	Economic Development Fund	American Recovery and Reinvestment Fund	Rural Rehabilitation Fund	Business Ready Communities Fund
Sources/inflows of resources:					
Actual amounts "available for appropriation" from the budgetary comparison schedule	\$ 42,900,964	\$ 3,624,285	\$ 2,217,432	\$ 226,599	\$ -
Differences in accrual basis revenues and cash basis budgetary amounts	(1,692,226)	2,427,224	(520,949)	(162,399)	-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 44,593,190</u>	<u>\$ 1,197,061</u>	<u>\$ 2,738,381</u>	<u>\$ 388,998</u>	<u>\$ -</u>
Uses/outflows of resources:					
Actual amounts "charged to appropriations" from the budgetary comparison schedule	\$ 105,263,345	\$ 741,302	\$ 25,634,152	\$ 53,686	\$ 3,999,392
Differences in accrual basis expenditures and cash basis budgetary amounts	(2,874,579)	(752,748)	520,949	(500)	1,157,105
Encumbrances	(62,362,381)	-	(23,416,720)	(5,500)	(1,918,795)
Total expenditures reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 40,026,385</u>	<u>\$ (11,446)</u>	<u>\$ 2,738,381</u>	<u>\$ 47,686</u>	<u>\$ 3,237,702</u>

OTHER GOVERNMENTAL FUNDS

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

Workforce Housing Fund – used to account for the workforce housing loan program. No loans have been made as of June 30, 2010; revenues consist primarily of interest income.

Technology Development Fund – used to account for technology development efforts of the Council; primarily, the activities of the loan portfolio of the former Science, Technology and Energy Authority (STEA) and Seed capital loans. Revenues consist primarily of interest income.

Community Facilities Fund – used to account for the community facilities program that provides funding to assist communities preserve former school and government facilities for existing or future community uses.

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

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

WYOMING BUSINESS COUNCIL

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2010**

	Workforce Housing Fund	Technology Development Fund	Community Facilities Fund	Wyoming Business Council Fund	Economic and Workforce Development Fund	Total
ASSETS						
Deposits with State Treasurer	\$ 1,212,127	\$ 469,096	\$ -	\$ 243,769	\$ -	\$ 1,924,992
Deposits with Trustee	206,705	79,995	-	41,574	-	328,274
Deposits in bank	-	-	-	-	36,540	36,540
Accounts receivable	167,871	64,966	-	34,605	1,954	269,396
Interest receivable	7,265	2,811	-	1,434	-	11,510
Total assets	\$ 1,593,968	\$ 616,868	\$ -	\$ 321,382	\$ 38,494	\$ 2,570,712
LIABILITIES AND EQUITY						
Liabilities						
Accounts payable	\$ 238,388	\$ 92,257	\$ -	\$ 47,946	\$ -	\$ 378,591
Liability under securities lending	219,366	84,895	-	44,120	-	348,381
Due to primary government	-	-	-	44,708	-	44,708
Total liabilities	457,754	177,152	-	136,774	-	771,680
Fund Balance						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Unreserved fund balance	1,136,214	439,716	-	184,608	38,494	1,799,032
Total fund balance	1,136,214	439,716	-	184,608	38,494	1,799,032
Total liabilities and fund balances	\$ 1,593,968	\$ 616,868	\$ -	\$ 321,382	\$ 38,494	\$ 2,570,712

WYOMING BUSINESS COUNCIL

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Workforce Housing Fund	Technology Development Fund	Community Facilities Fund	Wyoming Business Council Fund	Economic and Workforce Development Fund	Total
REVENUES						
Investment income	\$ 67,510	\$ 25,429	\$ -	\$ 13,366	\$ 16	\$ 106,321
Net increase in the fair market value of investments	42,156	19,079	-	8,831	-	70,066
Revenue from others	-	-	-	221	-	221
Charges for sales and services	-	-	-	-	190,452	190,452
Total revenues	109,666	44,508	-	22,418	190,468	367,060
EXPENDITURES						
Administration	-	-	-	29,802	-	29,802
Business and industry	-	-	-	118	192,052	192,170
Investment ready communities	-	-	56,384	-	-	56,384
Total expenditures	-	-	56,384	29,920	192,052	278,356
Excess (deficiency) of revenues over expenditures	109,666	44,508	(56,384)	(7,502)	(1,584)	88,704
OTHER FINANCING SOURCES						
Transfers in	-	-	-	8,083	-	8,083
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	8,083	-	8,083
Net change in fund balances	109,666	44,508	(56,384)	581	(1,584)	96,787
Fund balances, beginning	1,026,548	395,208	56,384	222,120	40,078	1,740,338
Prior period adjustment (Note 1)	-	-	-	(38,093)	-	(38,093)
Beginning fund balances, restated	1,026,548	395,208	56,384	184,027	40,078	1,702,245
Fund balances, ending	\$ 1,136,214	\$ 439,716	\$ -	\$ 184,608	\$ 38,494	\$ 1,799,032