

# **Delta Regional Authority**

Performance and Accountability Report

September 30, 2020

# Delta Regional Authority

September 30, 2020

## **Federal Co-Chairman**

Christopher Caldwell

## **States' Co-Chair**

Governor John Bel Edwards

## **Alternate Federal Co-Chairman**

*Vacant*

## **Alternate States' Co-Chair**

Ms. Leslie Durham

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### **Alabama**

Governor Kay Ivey

Mr. Kenneth Boswell (Designee)

Ms. Crystal Talley (Alternate)

### **Louisiana**

Governor John Bel Edwards

Ms. Leslie Durham

(Designee & Alternate)

### **Arkansas**

Governor Asa Hutchinson

Mr. Clint O'Neal

(Designee & Alternate)

### **Mississippi**

Governor Tate Reeves

Ms. Anne Hall Brashier

(Designee & Alternate)

### **Illinois**

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Ms. Brandi Bradley

(Designee & Alternate)

### **Missouri**

Governor Mike Parsons

Mr. Luke Holtschneider

(Designee & Alternate)

### **Kentucky**

Governor Andy Beshear

Ms. Dennis Keene

(Designee & Alternate)

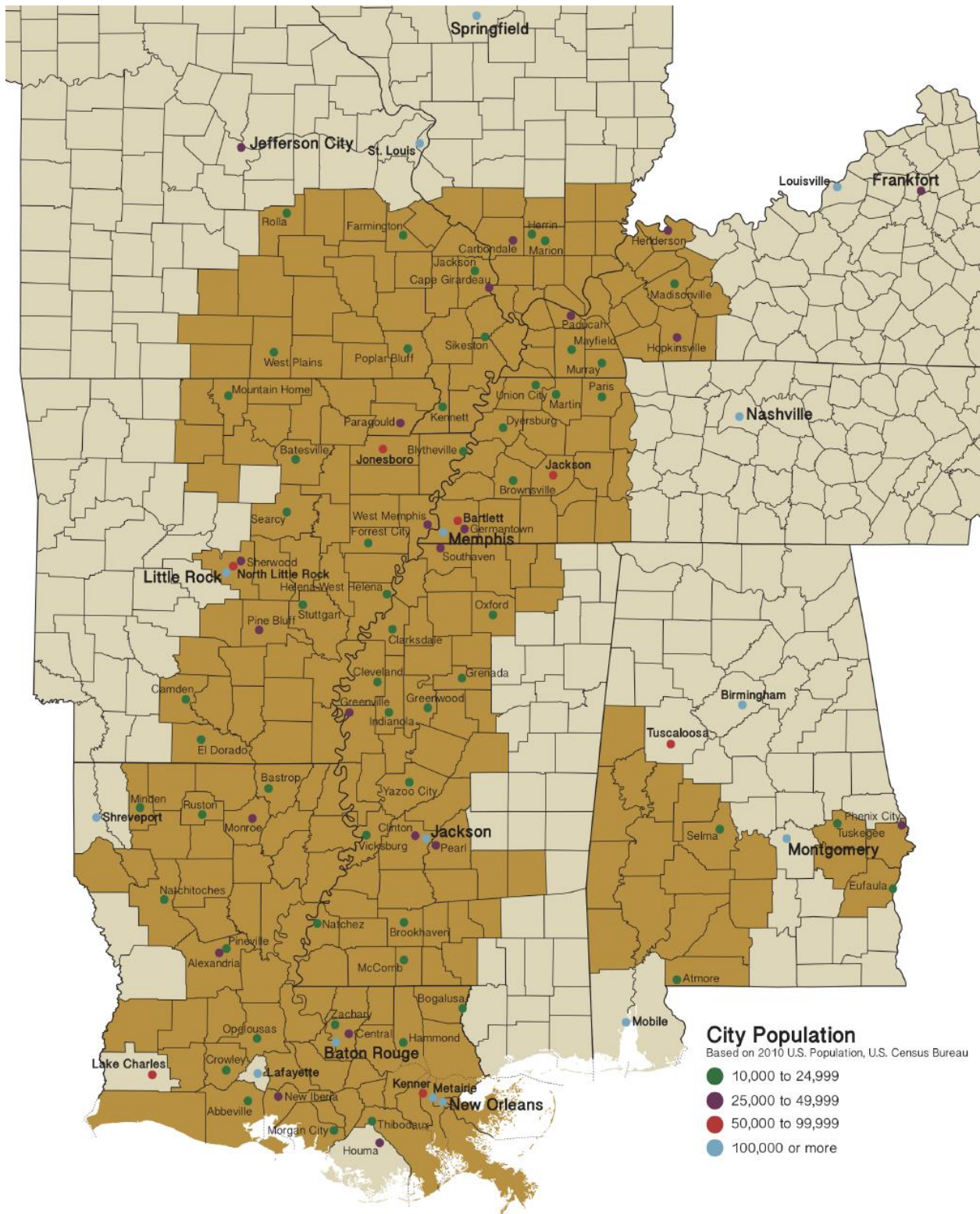
### **Tennessee**

Governor Bill Lee

Ms. Brooxie Carlton (Designee)

Mr. Brian Kelsey (Alternate)

# Delta Regional Authority Service Area



**Delta Regional Authority**  
Performance and Accountability Report  
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# DELTA REGIONAL AUTHORITY

OFFICE OF THE FEDERAL CO-CHAIRMAN

November 15, 2020

Russell Vought, Director  
The Office of Management and Budget  
725 17<sup>th</sup> Street NW  
Washington, DC 20503

Dear Director Vought:

Enclosed you will find the Delta Regional Authority's (DRA) Performance and Accountability Report for Fiscal Year 2020. This report is an accurate and comprehensive account of the Authority's performance for FY 2020 and includes comparative financial statements in FY 2019 and FY 2020.

DRA continues to be in full compliance with The Accountability for Tax Dollars Act of 2002 and under the current administration, DRA maintains its long-term commitment to setting and sustaining the highest standards in financial integrity and compliance. The report by the auditors of Fred T. Neely & Co, PLLC contains an unmodified opinion on the financial statements in this document and DRA continues to meet each new challenge and expectation presented by the U.S. Congress.

In FY 2020, DRA - through its available funding programs - invested \$27,987,444 of its total appropriation into 94 projects in its eight-state region. This investment leveraged \$52,011,267 in other federal, state and local funds - a ratio of 1.9 to 1 for a total project investment of \$79,998,711. Additionally, DRA's investments attracted private investments totaling \$439,743,795 - a ratio of 15.7 to 1. Ultimately, DRA has leveraged \$491,755,062 in other public and private investments for a total investment ratio of 17.6 to 1.

With these investments, the 2020 DRA funding programs are expected to help achieve the following results:

- Provide 73,260 families with access to improved water and sewer;
- Train and prepare 9,471 individuals for the workforce; and
- Create and retain 10,344 jobs.

As evidenced in this report, numerous accomplishments in Fiscal Year 2020 have been witnessed in the following programs and initiatives:

- States' Economic Development Assistance Program (SEDAP)
  - Community Infrastructure Fund (CIF)

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- Local Development Districts (LDD) Training/Administration
- Delta Workforce Program (DWP)
- Delta Leadership Institute (DLI)
  - Delta Leadership Network (DLN)
- Delta Doctors

It is with great pleasure that DRA submits its FY 2020 Performance and Accountability Report. Performance data included in this report has been compiled to provide the most complete and accurate results available. DRA will continue to grow as an agency and invest its resources in projects, programs, and initiatives that help provide Delta residents with the necessary infrastructure, job training, and business development resources to assist job creation, build communities, and improve lives.

Sincerely,



Christopher Caldwell  
Federal Co-Chairman

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**Section 1 - Management's Discussion and Analysis**

**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

**Introduction**

As management of Delta Regional Authority (DRA or the Authority), we offer readers of DRA's Performance and Accountability Report this narrative overview and analysis of the financial activities of DRA for the fiscal year ended September 30, 2020. We encourage the readers to consider the information presented here in conjunction with information furnished within this report.

The Delta Regional Authority is a federal-state partnership serving 252 counties and parishes in an eight-state region. Led by a Federal Co-Chairman and the Governors of each participating state, DRA is designed to remedy severe and chronic economic distress by stimulating economic development and fostering partnerships that have a positive impact on the region's economy. DRA helps economically distressed communities capitalize on other federal and state programs focused on basic infrastructure development, transportation improvements, business development and job training services.

Congress mandated (7 U.S.C. §2009aa) that DRA shall provide funding for the following four categories:

- Basic public infrastructure in distressed counties and isolated areas of distress;
- Transportation infrastructure for the purpose of facilitating economic development in the region;
- Business development, with emphasis on entrepreneurship; and
- Job training or employment-related education, with emphasis on use of existing public educational institutions located in the region.

Congressional stipulations include:

- The Authority will allocate at least 75% of Authority funds for use in distressed counties; and
- The Authority shall allocate at least 50% of any funds for transportation and basic public infrastructure projects.

The following is a discussion and analysis of the operating results and financial position of DRA, created by the Delta Regional Authority Act of 2000. The Authority's reauthorization expired on October 1, 2018 and was extended by the Agricultural Act of 2018 to 2022.

As listed in the Management's Discussion and Analysis and throughout the Performance and Accountability Report, DRA continues to emphasize performance, accountability and sustainability within its programs. Please review this document in conjunction with the annual financial statements and accompanying notes.

**Program Highlights for Fiscal Year 2020**

DRA – through its available funding programs – invested \$27,987,444 of its available funds into 99 projects in its eight-state region. These investments combined with \$52,011,267 in other federal, state and local funds – a ratio of 1.86 to 1 for a total project investment of \$79,988,711. Additionally, DRA's investments include private investments totaling \$439,743,795 – a ratio of 15.7 to 1. Ultimately, DRA funded projects leveraged \$491,755,062 in other public and private investments for a total investment ratio of 17.6 to 1. With these investments, DRA's FY 2020 funding programs are expected to help achieve the following results:



**Delta Regional Authority**  
 Management’s Discussion and Analysis  
 Year Ended September 30, 2020

- Provide 73,260 families with access to improved water and sewer;
- Train 9,431 individuals for a 21st century workforce; and
- Create and retain 2,428 jobs.

**Fiscal Year 2020 Counties and Parishes**

Distressed counties are defined as those counties that are one percent higher than the national average for unemployment for the most recent 24-month period and/or 80% or less than the national per capita income. Non-distressed counties are those under one percent of the national average for unemployment and more than 80% of national per capita income.

DRA’s enabling legislation requires the Authority to update its distressed and non-distressed county designation annually. The tabulation for Fiscal Year 2020 resulted in 231 distressed counties and parishes and 21 non-distressed counties (see list below).

**Non-Distressed List as of September 30, 2020**

|                 |                  |                    |                        |
|-----------------|------------------|--------------------|------------------------|
| <b>Arkansas</b> | <b>Louisiana</b> | <b>Mississippi</b> | <b>Alabama - None</b>  |
| Arkansas        | Ascension        | Madison            |                        |
| Pulaski         | Cameron          | Rankin             | <b>Kentucky - None</b> |
|                 | East Baton Rouge |                    |                        |
| <b>Illinois</b> | East Feliciana   | <b>Missouri</b>    |                        |
| Hamilton        | Jefferson        | Cape Girardeau     |                        |
| White           | Lafourche        |                    |                        |
| Williamson      | Orleans          | <b>Tennessee</b>   |                        |
|                 | Plaquemines      | Fayette            |                        |
|                 | St. Charles      | Madison            |                        |
|                 | West Baton Rouge | Shelby             |                        |

**Distressed List as of September 30, 2020**

|                |          |            |                  |                 |                      |
|----------------|----------|------------|------------------|-----------------|----------------------|
| <b>Alabama</b> | Dallas   | Monroe     | <b>Louisiana</b> | Iberia          | St. Helena           |
| Barbour        | Escambia | Perry      | Acadia           | Iberville       | St. James            |
| Bullock        | Greene   | Pickens    | Allen            | Jackson         | St. John the Baptist |
| Butler         | Hale     | Russell    | Assumption       | Jefferson Davis | St. Landry           |
| Choctaw        | Lowndes  | Sumter     | Avoyelles        | La Salle        | St. Martin           |
| Clarke         | Macon    | Washington | Beauregard       | Lincoln         | St. Mary             |
| Conecuh        | Marengo  | Wilcox     | Bienville        | Livingston      | Tangipahoa           |
|                |          |            | Caldwell         | Madison         | Tensas               |

**Delta Regional Authority**  
 Management's Discussion and Analysis  
 Year Ended September 30, 2020

**Distressed List as of September 30, 2020 (continued)**

| <b>Louisiana</b> |              |             |                    |                 |                |
|------------------|--------------|-------------|--------------------|-----------------|----------------|
| <b>Arkansas</b>  | Fulton       | Ouachita    | <b>(continued)</b> | Grant           | St. Bernard    |
| Ashley           | Grant        | Phillips    | Catahoula          | Morehouse       | Union          |
| Baxter           | Greene       | Poinsett    | Claiborne          | Natchitoches    | Vermillion     |
| Bradley          | Independence | Prairie     | Concordia          | Ouachita        | Washington     |
| Calhoun          | Izard        | Randolph    | De Soto            | Pointe Coupee   | Webster        |
| Chicot           | Jackson      | Searcy      | East Carroll       | Rapides         | West Carroll   |
| Clay             | Jefferson    | Sharp       | Evangeline         | Red River       | West Feliciana |
| Cleveland        | Lawrence     | St. Francis | Franklin           | Richland        | Winn           |
| Craighead        | Lee          | Stone       |                    |                 |                |
| Crittenden       | Lincoln      | Union       | <b>Mississippi</b> | Humphreys       | Sharkey        |
| Cross            | Lonoke       | Van Buren   | Adams              | Issaquena       | Simpson        |
| Dallas           | Marion       | White       | Amite              | Jasper          | Smith          |
| Desha            | Mississippi  | Woodruff    | Attala             | Jefferson       | Sunflower      |
| Drew             | Monroe       |             | Benton             | Jefferson Davis | Tallahatchie   |
|                  |              |             | Bolivar            | Lafayette       | Tate           |
| <b>Illinois</b>  | Jackson      | Pulaski     | Carroll            | Lawrence        | Tippah         |
| Alexander        | Johnson      | Randolph    | Claiborne          | Leflore         | Tunica         |
| Franklin         | Massac       | Saline      | Coahoma            | Lincoln         | Union          |
| Gallatin         | Perry        | Union       | Copiah             | Marion          | Walthall       |
| Hardin           | Pope         |             | Covington          | Marshall        | Warren         |
|                  |              |             | DeSoto             | Montgomery      | Washington     |
| <b>Kentucky</b>  | Graves       | Marshall    | Franklin           | Panola          | Wilkinson      |
| Ballard          | Henderson    | Muhlenberg  | Grenada            | Pike            | Yalobusha      |
| Caldwell         | Hickman      | Todd        | Hinds              | Quitman         | Yazoo          |
| Calloway         | Hopkins      | Trigg       | Holmes             |                 |                |
| Carlisle         | Livingston   | Union       |                    |                 |                |
| Christian        | Lyon         | Webster     | <b>Missouri</b>    | Madison         | Scott          |
| Crittenden       | McCracken    |             | Bollinger          | Mississippi     | Shannon        |
| Fulton           | McLean       |             | Butler             | New Madrid      | Ste. Genevieve |
|                  |              |             | Carter             | Oregon          | St. Francois   |
| <b>Tennessee</b> | Gibson       | Lake        | Crawford           | Ozark           | Stoddard       |
| Benton           | Hardeman     | Lauderdale  | Dent               | Pemiscot        | Texas          |
| Carroll          | Hardin       | McNairy     | Douglas            | Perry           | Washington     |
| Chester          | Haywood      | Obion       | Dunklin            | Phelps          | Wayne          |
| Crockett         | Henderson    | Tipton      | Howell             | Reynolds        | Wright         |
| Decatur          | Henry        | Weakley     | Iron               | Ripley          |                |
| Dyer             |              |             |                    |                 |                |

**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

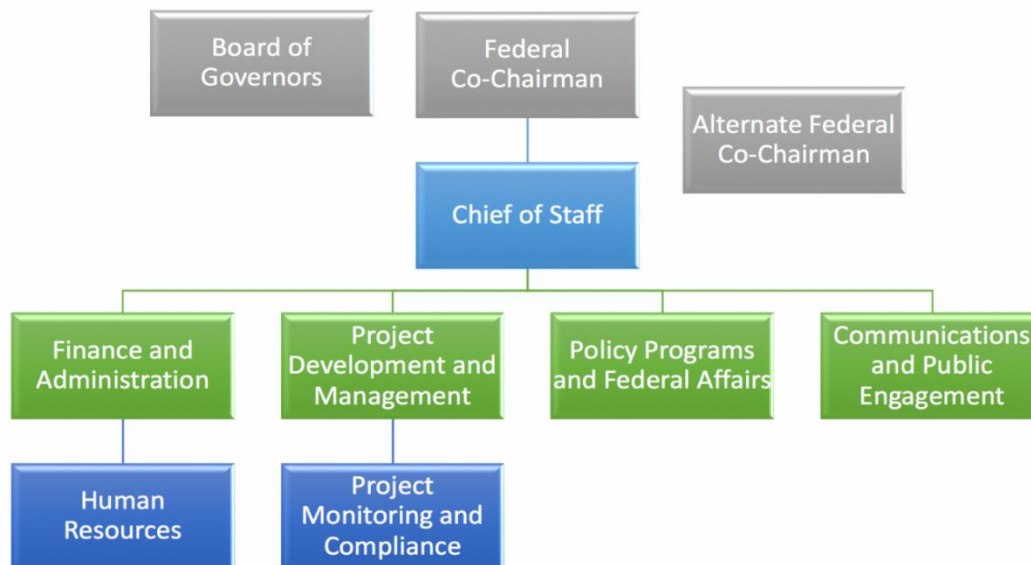
**Organizational Structure**

The DRA Board is comprised of Governors from the eight states in the DRA region along with the Federal member, Christopher Caldwell, who was appointed by President Trump as the Federal Co-Chairman in September 2017 and confirmed by the U.S. Senate in December 2017. The Governors annually appoint a States' Co-Chairman, and in FY 2020, Governor John Bell Edwards of Louisiana was elected to serve as the tenth States' Co-Chairman. The DRA statute requires the Board to hold an annual quorum meeting, which compels the attendance of a majority of the states' Governors. For all other DRA meetings, Governors may appoint a designee/alternate to serve in their absence.

The relationship between the Federal Member and Governors is a partnership in which all board members share the fiduciary responsibility of the Authority. Moreover, the Board's responsibilities are: to establish and approve investments for economic development to the region; assess the state of the region; facilitate and recommend interstate cooperation among region members; develop model legislation; support and train local development districts; and encourage private investment and cooperate with state economic development programs within the region. Board decisions require affirmation from the Federal member and a majority of participating Governors.

The Federal Co-Chairman maintains an office within the DRA office and at the end of FY 2020 was the only full-time federal employee. Additionally, the DRA office employs eleven non-federal employees who carry out the day-to-day operations within the following areas: Finance and Administration; Project Development and Management; Policy Programs and Federal Affairs; and Public Engagement and Communication. The DRA organizational chart is as follows:

**Organizational Chart**



**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

**Management of Delta Regional Authority**

DRA utilizes the General Services Administration (GSA) for assistance in the management of DRA's economic development obligations, disbursements, and the financial reporting of its federally-appropriated dollars. Because of the Authority's relatively small size, the use of GSA has been very cost-effective. GSA also assists the Authority with compliance with many federal-mandated requirements. State administrative funds are held by banks located in the DRA Region and are accounted for by the Director of Finance and Administration.

DRA completed its 18<sup>th</sup> year of compliance with the *Accountability of Tax Dollars Act of 2002*. DRA has consistently initiated additional controls and expanded compliance testing to ensure the financial integrity of the Authority.

**Financial Highlights**

The following is a summary of changes in assets, liabilities, revenues, expenditures and net position at September 30, 2020, as compared to the prior year:

- Total assets increased \$10,262,855 or 16% in 2020 compared to an increase of \$5,146,661 or 9% in 2019;
- Total liabilities increased \$674,706 or 9.2% in 2020 compared to a decrease of \$18,248 or 0.2% in 2019;
- Total net program costs increased \$744,326 or 3% in 2020 compared to a decrease of \$459,462 or 2% in 2019;
- Financing sources of operations increased \$744,326 or 3% in 2020 compared to an decrease of \$459,436 or 2% in 2019; and
- Net position increased \$9,588,149 or 17% in 2020 compared to an increase of \$5,164,909 or 10% in 2019.

**Overview of the Financial Statements**

The Management's Discussion and Analysis introduces DRA's principal statements. The principal statements include: (1) balance sheets, (2) statements of net cost, (3) statements of changes in net position, (4) statements of resources (budgetary and non-budgetary), and (5) notes to financial statements. DRA also includes in this report additional information to supplement the principal statements.

**Balance Sheet** – The balance sheet is a summary of assets, liabilities and net position for each fiscal year. It includes assets in possession or managed by the entity exclusive of items subject to stewardship reporting (assets), amounts owed by the entity (liabilities), and amounts which comprise the difference (net position).

**Delta Regional Authority**

Management’s Discussion and Analysis

Year Ended September 30, 2020

|                                  | <b>As of September 30,</b> |               |                  |                 |
|----------------------------------|----------------------------|---------------|------------------|-----------------|
|                                  | <b>2020</b>                | <b>2019</b>   | <b>\$ Change</b> | <b>% Change</b> |
| Total assets                     | \$ 75,534,123              | \$ 65,271,268 | \$ 10,262,855    | 16%             |
| Total liabilities                | 7,973,929                  | 7,299,223     | 674,706          | 9.2%            |
| Total net position               | 67,560,194                 | 57,972,045    | 9,588,149        | 17%             |
| Total liabilities & net position | \$ 75,534,123              | \$ 65,271,268 | \$ 10,262,855    | 16%             |

|                                  | <b>Summary Balance Sheet</b> |               |                  |                 |
|----------------------------------|------------------------------|---------------|------------------|-----------------|
|                                  | <b>As of September 30,</b>   |               |                  |                 |
|                                  | <b>2019</b>                  | <b>2018</b>   | <b>\$ Change</b> | <b>% Change</b> |
| Total assets                     | \$ 65,271,268                | \$ 60,124,607 | \$ 5,146,661     | 9%              |
| Total liabilities                | 7,299,223                    | 7,317,471     | (18,248)         | -0.2%           |
| Total net position               | 57,972,045                   | 52,807,136    | 5,164,909        | 10%             |
| Total liabilities & net position | \$ 65,271,268                | \$ 60,124,607 | \$ 5,146,661     | 9%              |

The FY 2020 and 2019 increases in total assets were largely attributable to federal appropriations for economic development purposes. Total liabilities increased in FY 2020 due to normal trade policies during FY 2020. Net position increased in FY 2020 compared to FY 2019. An increase in net position indicates that DRA’s financial condition improved in FY 2020.

**Statements of Net Cost** – The statements of net cost are designed to show separately the components of the net cost of the reporting entity’s operations for the period. The net cost of operations is the gross cost incurred by the reporting entity less any exchange revenue earned from its activities. The gross cost of a program consists of the full cost of the outputs produced by that program plus any non-production costs that can be assigned to the program. Non-production costs are costs linked to events other than the production of goods and services. The net cost of a program consists of gross cost less related exchange revenues. By disclosing the gross and net cost of the entity’s programs, the statements of net cost provide information that can be related to the outputs and outcomes of the programs and activities.

|                         | <b>Summary Statement of Net Costs</b> |               |                  |                 |
|-------------------------|---------------------------------------|---------------|------------------|-----------------|
|                         | <b>Years Ended September 30,</b>      |               |                  |                 |
|                         | <b>2020</b>                           | <b>2019</b>   | <b>\$ Change</b> | <b>% Change</b> |
| <b>Program Costs</b>    |                                       |               |                  |                 |
| Gross costs             | \$ 24,632,062                         | \$ 24,668,449 | \$ (36,387)      | 0%              |
| Less: earned revenue    | (1,010,507)                           | (1,791,220)   | 780,713          | -44%            |
| Total net program costs | \$ 23,621,555                         | \$ 22,877,229 | \$ 744,326       | 3%              |

**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

**Summary Statement of Net Costs**  
**Years Ended September 30,**

|                         | <u>2019</u>          | <u>2018</u>          | <u>\$ Change</u>    | <u>% Change</u> |
|-------------------------|----------------------|----------------------|---------------------|-----------------|
| <b>Program Costs</b>    |                      |                      |                     |                 |
| Gross costs             | \$ 24,668,449        | \$ 25,049,217        | \$ (380,768)        | -2%             |
| Less: earned revenue    | <u>(1,791,220)</u>   | <u>(1,712,526)</u>   | <u>(78,694)</u>     | 5%              |
| Total net program costs | <u>\$ 22,877,229</u> | <u>\$ 23,336,691</u> | <u>\$ (459,462)</u> | -2%             |

The FY 2020 increase in total net program costs is attributable to an increase in SEDAP project disbursements and increase in earned revenue.

**Statements of Changes in Net Position** – The statements of changes in net position report the change in net position during the reporting period. Net position is affected by changes to its two components: cumulative results of operations and unexpended appropriations. The statement format is designed to display both components of net position separately to enable the user to better understand the nature of changes to net position as a whole.

|   | <b>Years Ended September 30,</b> |                      |                     |                 |
|---|----------------------------------|----------------------|---------------------|-----------------|
|   | <u>2020</u>                      | <u>2019</u>          | <u>\$ Change</u>    | <u>% Change</u> |
| <b>Unexpended appropriations</b>        |                                  |                      |                     |                 |
| Beginning balance                       | \$ 57,972,045                    | \$ 52,807,136        | \$ 5,164,909        | 10%             |
| Total financing sources                 | <u>9,588,149</u>                 | <u>5,164,909</u>     | <u>4,423,240</u>    | 86%             |
| Total unexpended appropriations         | <u>\$ 67,560,194</u>             | <u>\$ 57,972,045</u> | <u>\$ 9,588,149</u> | 17%             |
| <b>Cumulative results of operations</b> |                                  |                      |                     |                 |
| Beginning balance                       | \$ -                             | \$ -                 | \$ -                | 0%              |
| Total financing sources                 | 23,621,555                       | 22,877,229           | 744,326             | 3%              |
| Net cost of operations                  | <u>23,621,555</u>                | <u>22,877,229</u>    | <u>744,326</u>      | 3%              |
| Net change                              | -                                | -                    | -                   | 0%              |
| Cummulative results of operations       | -                                | -                    | -                   | 0%              |
| Net position                            | <u>\$ 67,560,194</u>             | <u>\$ 57,972,045</u> | <u>\$ 9,588,149</u> | 17%             |

**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

**Summary Statement of Changes in Net Position**  
**Years Ended September 30,**

|   | <u>2019</u>          | <u>2018</u>          | <u>\$ Change</u>    | <u>% Change</u> |
|---|----------------------|----------------------|---------------------|-----------------|
| <b>Unexpended appropriations</b>        |                      |                      |                     |                 |
| Beginning balance                       | \$ 52,807,136        | \$ 46,744,351        | \$ 6,062,785        | 13%             |
| Total financing sources                 | <u>5,164,909</u>     | <u>6,062,785</u>     | <u>(897,876)</u>    | -15%            |
| Total unexpended appropriations         | <u>\$ 57,972,045</u> | <u>\$ 52,807,136</u> | <u>\$ 5,164,909</u> | 10%             |
| <b>Cumulative results of operations</b> |                      |                      |                     |                 |
| Beginning balance                       | \$ -                 | \$ 26                | \$ (26)             | -100%           |
| Total financing sources                 | 22,877,229           | 23,336,665           | (459,436)           | -2%             |
| Cost of operations                      | <u>22,877,229</u>    | <u>23,336,691</u>    | <u>(459,462)</u>    | -2%             |
| Net change                              | -                    | (26)                 | 26                  | -100%           |
| Cumulative results of operations        | <u>-</u>             | <u>-</u>             | <u>-</u>            | 0%              |
| Net position                            | <u>\$ 57,972,045</u> | <u>\$ 52,807,136</u> | <u>\$ 5,164,909</u> | 10%             |

The increase in total financing sources is related to an increase in disbursements of SEDAP funds expended in FY 2020 and FY 2019.

**Statements of Resources (Budgetary and Non-Budgetary)** – The statements of resources (budgetary and non-budgetary) and related disclosures provide information about how budgetary resources were made available, as well as their status at the end of the year. It is the only financial statement predominantly derived from an entity's budgetary general ledger in accordance with budgetary accounting rules, which are incorporated into generally accepted accounting principles (GAAP) in the United States of America for the federal government.

**Summary Statement of Resources (Budgetary & Non-Budgetary)**  
**Years Ended September 30,**

|                                       | <u>2020</u>   | <u>2019</u>   | <u>\$ Change</u> | <u>% Change</u> |
|---------------------------------------|---------------|---------------|------------------|-----------------|
| Resources (budgetary & non-budgetary) | \$ 49,590,991 | \$ 39,224,020 | \$ 10,366,971    | 26%             |
| Status of budgetary resources         | \$ 46,854,974 | \$ 37,079,675 | \$ 9,775,299     | 26%             |
| Net outlays, end of year              | \$ 19,525,515 | \$ 20,165,595 | \$ (640,080)     | -3%             |
| Unpaid obligated balance, net         | \$ 63,944,986 | \$ 50,046,550 | \$ 13,898,436    | 28%             |

**Delta Regional Authority**

Management’s Discussion and Analysis  
Year Ended September 30, 2020

**Summary Statement of Resources (Budgetary & Non-Budgetary)  
Years Ended September 30,**

|                                       | <b>2019</b>   | <b>2018</b>   | <b>\$ Change</b> | <b>% Change</b> |
|---------------------------------------|---------------|---------------|------------------|-----------------|
| Resources (budgetary & non-budgetary) | \$ 39,224,020 | \$ 39,718,713 | \$ (494,693)     | -1%             |
| Status of budgetary resources         | \$ 37,079,675 | \$ 36,669,857 | \$ 409,818       | 1%              |
| Net outlays, end of year              | \$ 20,165,595 | \$ 13,993,546 | \$ 6,172,049     | 44%             |
| Unpaid obligated balance, net         | \$ 50,046,550 | \$ 51,662,246 | \$ (1,615,696)   | -3%             |

**Notes to Financial Statements** – The notes to financial statements are an integral part of the financial statements and provide more detailed data.

**Limitations of the Financial Statements**

The principal financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b). While the statements have been prepared from the books and records of the entity in accordance with GAAP for federal entities and the formats prescribed by the President’s Office of Management and Budget, the statements are, in addition to the financial reports, used to monitor and control budgetary resources, which are prepared from the same books and records.

**Summary of Financial Statement Audit  
Year Ended September 30, 2020**

**Audit Opinion:** Unmodified  
**Restatement:** No

| <b>Material Weakness(es)</b> | <b>Beginning Balance</b> | <b>New</b> | <b>Resolved</b> | <b>Consolidated</b> | <b>Ending Balance</b> |
|------------------------------|--------------------------|------------|-----------------|---------------------|-----------------------|
| Total Material Weaknesses    | -                        | -          | -               | -                   | -                     |

**Grants Oversight & New Efficiency (GONE) Act**

The objective of the Grants Oversight and New Efficiency (GONE) Act is to identify and close out expired grants. The covered grants are those within an agency’s cash payment management system that have been expired for two or more years and have not been closed out. DRA reviewed its close-out population of federal grants and cooperative agreements and found instances where either a grant award or cooperative agreement with the period of performance ending on or prior to September 30, 2018 had not been closed out. Delays in grant and cooperative agreement closeout, and challenges to be addressed pursuant to the GONE Act follow the table below.



**Delta Regional Authority**  
 Management's Discussion and Analysis  
 Year Ended September 30, 2020

**Summary of Grants Oversight & New Efficiency (GONE) Act  
 As of September 30, 2020**

| <u>Category</u>  | <u>No. of</u> | <u>2-3 Years</u> | <u>No. of</u> | <u>&gt;3-5 Years</u> |
|--|---------------|------------------|---------------|----------------------|
| Grants and cooperative agreements<br>with undisbursed balances | 13            | \$3,342,491      | 1             | \$194,000            |

**Challenges**

*Delays in Grant and Cooperative Agreement Award Closeout* - As noted in DRA's enabling legislation, "Congress finds that certain States and local communities of the region, including local development districts, may be unable to take maximum advantage of Federal grant programs for which the States and communities are eligible because: (1) the States or communities lack the economic resources to provide the required matching share; or (2) there are insufficient funds available under the applicable Federal law authorizing the Federal grant program to meet pressing needs of the region." These limitations are often the reason DRA funds are needed as first dollars in on some of these grants. These limitations speak to other intrinsic limitations some of these communities experience, that being, other resources to ensure the projects are completed on time and on budget.

*Changes in the Fund Obligation Process* - DRA has obligated funds over the course of three administrations. The first administration obligated with a signed grant agreement; the second administration obligated with a board approved (voted on) project. Typically grant agreements were signed and returned soon after, but there have been occasions where the signed grant agreement took much longer to return. This issue is exacerbated by an extremely small administrative staff with little continuity over DRA's 18 years of existence.

**Planned Corrective Actions**

DRA will address the staffing situation to divide administrative tasks proportionally. DRA will be looking to purchase an accounting system which will accommodate financial accounting for both DRA administrative costs and grant funding. There are still a great number of outstanding grants and cooperative agreements, but more could be done to claw back unused and underutilized funding. DRA will improve training with the Local Development Districts to expedite the identification of these projects, allowing DRA to start the claw back process sooner. Likewise, DRA will need to further educate our board members on the risks associated with certain projects and how to identify projects that are capable of moving faster. Lastly, the demographics of the Delta region must be taken into consideration and the inherent challenges that exist here. Some leeway must be given to these communities that struggle to obtain federal funds.

**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

**The Anti-Deficiency Act**

Public Law 31 USC S 1341, Limitations on Expending and Obligating Amounts, 31 USC S 1342, Limitation on Voluntary Services, and 31 USC S 1517, Prohibited Obligations and Expenditures, and 31 USC S 1501, Documentary Evidence Requirement for Government Obligations make up the core of this Act.

31 USC, Section 1341, Limitations on Expending and Obligating Amounts

An officer or employee of the U.S. Government or of the District of Columbia government may not---

- make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation;
- involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law;

31 USC, Section 1342, Limitation on Voluntary Services

An officer or employee of the U.S. Government or of the District of Columbia government may not accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property.

31 USC, Section 1517, Prohibited Obligations and Expenditures

An officer or employee of the U.S. Government or of the District of Columbia government may not make or authorize an expenditure or obligation exceeding---

- an apportionment; or
- the amount permitted by regulations prescribed under section 1514(a) of this title;

31 USC, Section 1501, Documentary Evidence Requirement for Government Obligations

An amount shall be recorded as an obligation of the U.S. Government only when supported by documentary evidence of---

- A binding agreement
- A loan agreement
- Order required by law
- A grant or subsidy
- A liability from litigation
- Employment of persons
- Public utilities services
- Other

***Violations of the Anti-Deficiency Act***

Making or authorizing an obligation or expenditure:

- In excess of an appropriation
- Before an appropriation is made

**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

- In excess of an apportionment
- In excess of agency regulations (e.g., allotment)
- Accepting voluntary services (except in an emergency); employing personal services

Violations of these rules will subject the officer or employee to:

- Appropriate administrative discipline
- Suspension from duty without pay
- Removal from office

Intentional violation of the Anti-Deficiency Act will subject the officer or employee to:

- Fines up to \$5,000
- Imprisonment up to 2 years
- Or both

***Reporting a Violation***

A violation report has to be prepared by the head of the offending agency and sent to:

- The President (through OMB)
- The Speaker of the House
- The President of the Senate
- The Comptroller General

The violation report must contain:

- Date, amount, account involved in violation
- The name and position of the person responsible
- Discipline imposed
- Statement about the adequacy of administrative control system
- Statement of actions taken to prevent it from ever happening again.

For the year ended September 30, 2020, Delta Regional Authority complied with the Anti-Deficiency Act.

**The Prompt Payment Act (PPA)**

The Prompt Payment Act was enacted to ensure the federal government makes timely payments. Bills are to be paid within 30 days after receipt and acceptance of material and/or services, or after receipt of a proper invoice whichever is later. When payments are not made timely, interest should be automatically paid. The basic requirements of the PPA for government finance offices are to:

- Date stamp all incoming invoices.
- Make payments no earlier than 23 days and no later than 30 days from the invoice date.
- Take discounts only within the terms offered.
- Pay interest automatically when payment is late.

**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

- Report performance based on statistical sampling to the Office of Management and Budget.

***Procedures and Guidelines DRA uses to comply with the Prompt Payment Act***

Mandatory IMP AC (government credit card program) for all purchases less than \$2,500 may eliminate hours of collection time on smaller dollar invoices. Under the current VISA card program, vendors are paid usually within 2-3 days of shipment of the order. The merchant bank then collects from the government. The government purchase order is e-mailed to the vendor, input into their order processing system and then invoiced electronically to the payment office. When information is not re-keyed into systems, the chances for errors in the order and billing processes are reduced if not eliminated. Delta Regional Authority complied, in all relevant respects, with the Prompt Payment Act.

**Data Accountability and Transparency Act (DATA Act) of 2014 31 USC S6101, PL 113-101**

The purpose of the DATA Act is to establish government-wide financial data standards and increase the availability, accuracy, and usefulness of Federal spending information. The Act's vision was to provide reliable, timely, secure, and consumable financial management data for the purpose of promoting transparency, facilitating better decision making, and improving operational efficiency.

Delta Regional Authority complied, with all material respects, with the DATA ACT and reported information quarterly, as required during the fiscal year.

**Fraud Reduction and Data Analytics Act (FRDAA) of 2015**

Under the Fraud Reduction and Data Analytics Act (FRDAA) of 2015, agencies are required to report on efforts to reduce fraud. Standards require agencies to identify fraud risk factors and programs with increased susceptibility for fraud. The report must include information on the agency's progress in implementing:

- Financial and administrative controls established pursuant to the act,
- The fraud risk principle in the Standards for Internal Control in the Government, and OMB Circular A-123, Management's Responsibility for Internal Control, with respect to leading practices for managing fraud risk,
- Progress in identifying risks and vulnerabilities to fraud, including with respect to payroll, beneficiary payments, grants, large contracts, purchase and travel cards, and
- Progress on establishing strategies, procedures, and other steps to curb fraud.

**Delta Regional Authority**  
 Management’s Discussion and Analysis  
 Year Ended September 30, 2020

**Framework of Internal Control**  
**Year Ended September 30, 2020**

| <b>Control Environment</b>                               | <b>Risk Assessment</b>                       | <b>Control Activities</b>                     | <b>Information &amp; Communication</b> | <b>Monitoring Activities</b>                  |
|--|--|---|--|---|
| Demonstrates commitment to integrity and ethical values. | Define objectives and risk tolerances.       | Designs control activities.                   | Uses relevant, quality information.    | Performs ongoing monitoring activities.       |
| Exercises oversight responsibilities.                    | Identifies, analyzes and responds to risk.   | Selects and develops general system controls. | Communicates internally.               | Evaluates issues and remediates deficiencies. |
| Establishes structure, authority and responsibility.     | Assess fraud risk.                           | Deploys & implements control activities.      | Communicates externally.               |   |
| Demonstrates commitment to competence.                   | Identifies, analyzes and responds to change. |   |  |   |

DRA maintains an annual Financial Internal Control and Risk Management Plan that identifies, through quantitative and qualitative analysis, transactional areas that are susceptible to inaccuracies and/or fraud. The plan contains specific process areas that are tested throughout the fiscal year to ensure the process results are accurate and reasonable. Government-issued travel cards have been identified as a program with a high risk for fraud.

The following controls are in place to prevent/mitigate fraud within the government travel card program:

- Reduced employee-held travel cards to \$2,500,
- A government travel card SOP is published defining the roles and rules of the program. The handbook is reviewed and updated as needed, and
- Reduce the number of employees eligible for a government travel card.

The following administrative controls are in place to detect potential fraud within the travel card program:

- The Senior Accountant reviews purchase card holders’ statements and matches supporting receipts to billed charges monthly and communicates with cardholders regarding unmatched or suspicious charges. When cardholders deny unmatched or suspicious charges, the Accounting Supervisor refers such charges to the Director of Finance & Administration for review and disposition,
- The Director of Finance & Administration rejects payments for unknown or suspicious charges and requests the bank to investigate those purchases deemed suspect,

**Delta Regional Authority**  
Management's Discussion and Analysis  
Year Ended September 30, 2020

- After an investigation, the bank either provides copies of receipts to prove the employee initiated the charge or issues credit to the cardholder.

Other areas reviewed for the annual Financial Internal Control and Risk Management Plan include:

- Payroll, and how fraud could be perpetuated through the time management system. The Accounting/HR Supervisor prepares the payroll for bi-weekly submission to the Director of Finance/Administration, who reviews the submission for changes of personnel or salary from the prior month and budget and compares names to authorized personnel and salaries to authorized/approved salaries.
- Contracts over \$25,000, and how procurement procedures can be manipulated through fraud.

Below are additional strategies, procedures, and other steps employed by the agency to curb fraud:

- Prevent – educate employees on the care and use of a travel card,
- Prevent – conduct detailed fraud risk assessments to focus management attention,
- Deter/Detect – Promote effective reporting tools for suspicious or inappropriate activities (whistleblower hotline),
- Anti-Fraud Policy/Training – communicate a policy and train employees to recognize suspicious or inappropriate activities,
- Deter/Detect – Response to fraud allegations of how it will be investigated/resolved.

DRA's senior management believes that this policy sends a clear message that senior management is committed to preventing and detecting fraud committed against the organization.

### **Contacting DRA's Financial Management**

This financial report is designed to fulfill the obligations of DRA as it relates to the *Accountability for Tax Dollars Act of 2002*. The report details the financial position of DRA as of September 30, 2020 and 2019, and demonstrates DRA's accountability for all funds and appropriations received.

If you have any questions about this report or need additional information, please contact the Delta Regional Authority via telephone by calling (662) 624-8600 or mail by directing inquiries to the Director of Finance & Administration, Delta Regional Authority, 236 Sharkey Ave, Suite 400, Clarksdale, MS 38614.

### **Other Contact/Reports**

Internet Home Page <http://dra.gov>

Fraud/Whistleblower <http://dra.gov/accountability/promoting-a-transparent-government/#fraud>

Agency Financial Report <http://dra.gov/accountability/promoting-a-transparent-government/>

Strategic Plan <http://dra.gov/funding-programs/strategic-economic-development-plans-by-state/>

## **Section 2 – Performance Report**

**Delta Regional Authority**  
Performance Report  
Year Ended September 30, 2020

**Overview**

The Government Performance and Results Act of 1993 ("GPRA") requires all federal agencies to submit a report to Congress on actual program results at the end of each Fiscal Year along with its audited financial statements outlined in the Office of Management and Budget (OMB) Circular No. A-136, Financial Audit Manual. This report includes a summary of results on the following DRA programs and initiatives:

*Project Development and Management*

- States' Economic Development Assistance Program (SEDAP)
  - Community Infrastructure Fund (CIF)
- Local Development Districts (LDD) Training/Administration

*Policy Programs*

- Delta Workforce Program (DWP)
- Delta Leadership Institute (DLI)
  - Delta Leadership Network (DLN)
- Delta Doctors

**Project Development and Management**

***States' Economic Development Assistance Program (SEDAP)***

The States' Economic Development Assistance Program is DRA's primary investment program. Since 2002, DRA has leveraged more than \$229 million of its own appropriations with more than \$4.1 billion in other public and private sector dollars. SEDAP investments are subject to Federal Priority Eligibility Criteria and must help improve the following in Delta communities:

- Basic Public Infrastructure
- Transportation Infrastructure
- Workforce Training and Education
- Business Development and Entrepreneurship

At least 50% of SEDAP funds must be invested in basic public infrastructure and transportation infrastructure.

At least 75% of SEDAP funds must be invested in economically distressed counties and parishes.

***Community Infrastructure Fund (CIF)***

The Community Infrastructure Fund helps strengthen the economic viability of Delta communities. In FY 2020, DRA invested more than \$12 million into projects addressing flood control, basic public



**Delta Regional Authority**  
Performance Report  
Year Ended September 30, 2020

infrastructure, and local transportation improvements that enhance local and regional economies throughout the Delta region.

In FY 2020, DRA - through its available funding programs - invested \$27,987,444 of its total appropriation into 94 projects in its eight-state region. This investment leveraged \$52,011,267 in other federal, state and local funds - a ratio of 1.9 to 1 for a total project investment of \$79,998,711. Additionally, DRA's investments attracted private investments totaling \$439,743,795 - a ratio of 15.7 to 1. Ultimately, DRA has leveraged \$491,755,062 in other public and private investments for a total investment ratio of 17.6 to 1.

With these investments, the 2020 DRA funding programs are expected to help achieve the following results:

- Provide 73,260 families with access to improved water and sewer;
- Train and prepare 9,471 individuals for the workforce; and
- Create and retain 10,344 jobs.

**GOAL 2. Strengthened Infrastructure:** *Strengthen the Delta's physical, digital, and capital connections to the global economy.*

- Aligned with DRA's Regional Development Plan III: Goal 2 – Strengthened Infrastructure, SEDAP, CIF and PWEAA collectively direct public and private investments into basic public infrastructure and transportation projects that can facilitate business expansion, company relocation, and job growth in Delta communities.

***Local Development Districts (LDD) Training/Administration***

Per DRA's statute, local development districts (LDDs) are the Authority's front-line project developers and managers. The LDDs within the DRA footprint provide technical assistance, application support and review, and other services to DRA and the entities in their districts wishing to apply for DRA funding. LDDs help identify effective and impactful economic development projects for consideration for DRA investment. All projects, regardless of the funding source, are developed in coordination with the appropriate LDD. LDD staff review and certify that each project is legitimate and meets the parameters of DRA programs.

Based on guidance from the LDD Advisory Board, LDDs who are out of compliance with certification requirements are ineligible to submit applications for DRA funding. These compliance requirements have helped ensure consistent improvements in the quality of applications over time. Guidance is given annually during the LDD training workshop and provided publicly in DRA's administrative program manual.

**Delta Regional Authority**  
Performance Report  
Year Ended September 30, 2020

These actions help ensure DRA stakeholders are receiving the most up to date technical assistance from their LDD when applying for DRA funding.

**GOAL 3. Increased Community Capacity:** *Facilitate local capacity building within Delta communities, organizations, businesses, and individuals.*

- Aligned with DRA’s Regional Development Plan III: Goal 3 – Increased Community Capacity, DRA’s annual LDD Training/Administration provides executive directors and project development staff with best practices, innovative strategies and resources to boost the economic development potential of their regional footprints.

**Programs and Initiatives**

***Delta Workforce Program***

In June 2017, President Donald J. Trump signed Executive Order (EO) 13801, “Expanding Apprenticeships in America,” to promote affordable education and rewarding jobs for American workers through the reformation of America’s education systems and workforce development programs. In response to the President’s call to action, DRA launched the Delta Workforce Program, an initiative designed to build long-term community capacity and increase economic competitiveness across the Mississippi River Delta region and Alabama Black Belt.

In partnership with the U.S. Department of Labor (DOL) Employment and Training Administration (ETA) and the Appalachian Regional Commission (ARC), approximately \$29.2 million in grants are available under the Workforce Opportunity for Rural Communities (WORC) initiative (administered by DOL ETA) to support workforce training and education in rural communities across the Delta and Appalachian regions. To complement this federal partnership, DRA facilitates pre-award technical assistance workshops and webinars, makes available \$1.5 million in grants under the Delta Workforce Grant Program, and offers post-award technical assistance to grantees.

The Delta Workforce Program prioritizes investing in communities and regions that have been negatively impacted by economic transition and need assistance to help build their workforce pipelines and strengthen their economies.

Investment priorities include:

- Supporting industry-led workforce training;
- Building collaborative talent pipelines;
- Supporting or enhancing industry clusters; and
- Accelerating local or regional economic development.

**Delta Regional Authority**  
Performance Report  
Year Ended September 30, 2020

In FY 2020, DRA invested \$1,500,000 into 12 projects across six of the eight DRA states, including:

| <b>Applicant</b>  | <b>State</b> | <b>Grant Award</b>        |
|---|--------------|---------------------------|
| Alabama 4 <sup>th</sup> Judicial Circuit Community Correction Program | AL           | \$150,000                 |
| Black River Technical College   | AR           | \$100,000                 |
| Little Rock Regional Chamber  | AR           | \$37,896                  |
| UAM College of Technology-Crossett                                    | AR           | \$150,000                 |
| Todd County Fiscal Court  | KY           | \$149,964                 |
| Jericho Road Episcopal Housing Initiative                             | LA           | \$150,000                 |
| Research Park Corporation   | LA           | \$150,000                 |
| Missouri Rural Water Association                                      | MO           | \$124,440                 |
| Missouri State University   | MO           | \$125,300                 |
| Carroll County School District  | TN           | \$132,695                 |
| Northwest Tennessee Workforce Board, Inc.                             | TN           | \$150,000                 |
| TCAT Covington  | TN           | \$79,705                  |
| <b>TOTAL</b>  |              | <b><u>\$1,500,000</u></b> |

**GOAL 1. Improved Workforce Competitiveness:** *Advance the productivity and economic competitiveness of the Delta workforce.*

Aligned with DRA’s Regional Development Plan III: Goal 1 – Improved Workforce Competitiveness, the Delta Workforce Program makes grants and provides technical assistance to organizations focusing on improving workforce training and industry-specific skills in urban and rural communities alike. Investments are targeted in areas seeking to bolster their economic development efforts by strengthening the talent pipelines for existing businesses and high-growth industry clusters.

***Delta Leadership Institute (DLI)***

Founded in 2005, the Delta Leadership Institute (DLI) supports local economic development by building leadership skills and fostering collaboration among established community leaders in the public, private, and nonprofit sectors to improve the economic and social opportunities of the Delta region and its people. DLI relies on the administrative, programming, and curricular support from a consortium of four university partners: The University of Alabama, Arkansas State University, the University of Louisiana at Monroe, and the University of Arkansas Sam M. Walton School of Business.

The year-long DLI Executive Academy is designed to provide professional leadership development and policy training in the issues most challenging to Delta communities. The Executive Academy held six sessions in FY 2020 that focused on transportation and infrastructure, public health and education, small business and entrepreneurship, culture and tourism, and public policy and innovative partnerships. The Delta Leadership Institute graduated 30 fellows from its fifteenth class in September 2020.

**Delta Regional Authority**  
Performance Report  
Year Ended September 30, 2020

***Delta Leadership Network (DLN)***

The Delta Leadership Network comprises the alumni of the Executive Academy and is tasked with maintaining these relationships among regional leaders so as to foster regional collaboration, resource sharing, and continued education to help these leaders address the Delta's most pressing issues. Now more than 530 community leaders make up the DLN, through which they continue their engagement with the Delta Leadership Institute at state meetings, an annual Delta Leadership Network conference, and events with new Executive Academy classes.

**GOAL 3. Increased Community Capacity:** *Facilitate local capacity building within Delta communities, organizations, businesses, and individuals.*

- Aligned with DRA's Regional Development Plan III: Goal 3 – Increased Community Capacity, DLI and DLN supports a wide array of leaders across the region through the Executive Academy, DLN conference, and continuing education programs.

***Delta Doctors***

In an effort to increase the number of doctors serving Delta residents, the Delta Regional Authority began implementing the Delta Doctors program in 2003. The program allows foreign physicians who are trained in the US to work in medically underserved areas for three years by providing those physicians with J-1 Visa Waivers. Most choose to stay far longer once they develop a patient base. Those in the Delta Doctors program do not take jobs away from U.S.-born physicians. Instead, they provide services in areas where there would otherwise be a shortage of physicians.

The impact of Delta Doctors in the region is realized both by access to quality affordable healthcare and the economic impact the doctors make on the community in which they reside and practice. On average, each doctor participating in the program is estimated to create 5 full-time jobs within their clinics and offices, and an additional 3.4 full and part-time jobs within the communities where they work.

In FY 2020, DRA submitted 202 J-1 Visa Waiver recommendations to the U.S. Department of State for physician placement in medically underserved areas/health professional shortage areas throughout the 252 counties and parishes making up the DRA service area.

**GOAL 1. Improved Workforce Competitiveness:** *Advance the productivity and economic competitiveness of the Delta workforce.*

- Aligned with DRA's Regional Development Plan III: Goal 1 – Improved Workforce Competitiveness, Delta Doctors improves the health and wellness of the Delta's workforce to elevate productivity and competitiveness of the region's employers by providing American-trained, foreign physicians to health professional shortage areas (HPSA) and medically underserved areas (MUA).

### **Section 3 – Financial Section**

Robert K. VanDevender, CPA  
Lance Mohamed, CPA  
Stribling W. Hargett, CPA



Fred T. Neely, CPA  
(1897 – 1967)  
Billy Joe Killebrew, CPA  
(1942 – 2010)  
Ralph F. Neely, CPA  
(1927 – )

W. Lee Mattox, CPA  
William A. Adams, CPA  
Gay G. Moss, CPA

## Independent Auditor's Report

Federal and State Co-Chairs  
Members of the Board Delta Regional Authority  
Clarksdale, Mississippi

In our audits of the fiscal years 2020 and 2019 financial statements of Delta Regional Authority (the Authority), we found

- the Authority's financial statements as of and for the fiscal years ended September 30, 2020 and 2019, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance for fiscal year 2020 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, required supplementary information (RSI) and other information included with the financial statements; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

### Report on the Financial Statements

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, and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, we have audited the Authority's balance sheets as of September 30, 2020; the related statements of net cost, changes in net position, and resources (budgetary and non-budgetary) for the fiscal years then ended; and the related notes to the financial statements.

We conducted our audit in accordance with U.S. generally accepted government auditing standards. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis of our audit opinion.

### Management's Responsibility

Authority management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in documents containing the audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. U.S. generally accepted government auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the auditor's assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit also included performing such other procedures as we considered necessary in the circumstances.

### Opinion on Financial Statements

In our opinion, the Authority's financial statements present fairly, in all material respects, the Authority's financial position as of September 30, 2020 and 2019, and its net cost of operations, changes in net position, and resources (budgetary and non-budgetary) for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

### Other Matters

#### Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Although the RSI is not a part of the financial statements, FASAB considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

#### Other Information

The Authority's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Our audit was conducted for the purpose of forming an opinion on the Authority's financial statements. We did not audit and do not express an opinion or provide any assurance on the other information.

## **Report on Internal Control over Financial Reporting**

In connection with our audit of the Authority's basic financial statements, we considered the Authority's internal control over financial reporting, consistent with our auditor's responsibility discussed below. We performed our procedures related to the Authority's internal control over financial reporting in accordance with U.S. generally accepted auditing standards.

### Management's Responsibility

The Authority's management is responsible for maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

In planning and performing our audit of the Authority's financial statements as of and for the year ended September 30, 2020, in accordance with the U.S. generally accepted government auditing standards, we considered the Authority's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

### Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

### Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described above, and was not designed to identify all deficiencies in internal control that might be material weaknesses and significant deficiencies or to express an opinion on the effectiveness of the Authority's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.



### Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of the Authority's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

### **Report on Compliance with Laws, Regulations, Contract, and Grant Agreements**

In connection with our audit of the Authority's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibility discussed below. We caution that noncompliance may occur and not be detected by these tests. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

### Management's Responsibility

The Authority's management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the Authority.

### Auditor's Responsibility

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to the Authority that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements, and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to the Authority.

### Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2020 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to the Authority. Accordingly, we do not express such an opinion.

### Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

*Fred T. Neely & Company, PLLC*

Fred T. Neely & Company, PLLC  
Greenwood, Mississippi  
November 15, 2020

**Delta Regional Authority**  
Balance Sheets  
September 30, 2020 and 2019

|   | <u>2020</u>          | <u>2019</u>          |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| Intragovernmental   |                      |                      |
| Fund balance with Treasury  | \$ 71,300,877        | \$ 61,307,533        |
| Total intragovernmental   | <u>71,300,877</u>    | <u>61,307,533</u>    |
| <br>  |                      |                      |
| Cash  | 3,984,555            | 3,567,795            |
| Accounts receivable, net  | 172,348              | 278,034              |
| General property and equipment, net   | <u>76,343</u>        | <u>117,906</u>       |
| <br>  |                      |                      |
| Total assets  | <u>\$ 75,534,123</u> | <u>\$ 65,271,268</u> |
| <br>  |                      |                      |
| <b>Liabilities</b>  |                      |                      |
| Intragovernmental   |                      |                      |
| <br>  |                      |                      |
| Employer contributions and payroll taxes payable                            | \$ 2,681             | \$ 2,040             |
| Liability for advances and prepayments                                      | <u>5,512,312</u>     | <u>5,118,919</u>     |
| Total intragovernmental   | 5,514,993            | 5,120,959            |
| <br>  |                      |                      |
| Accounts payable  | 1,900,052            | 1,613,049            |
| Grants and other payables   | 429,635              | 483,478              |
| Accrued funded payroll and leave  | <u>129,249</u>       | <u>81,737</u>        |
| <br>  |                      |                      |
| Total liabilities   | <u>7,973,929</u>     | <u>7,299,223</u>     |
| <br>  |                      |                      |
| <b>Net position</b>   |                      |                      |
| Unexpended appropriations - all other funds<br>(consolidated totals)        | 67,560,194           | 57,972,045           |
| Cumulative results of operations - all other funds<br>(consolidated totals) | <u>-</u>             | <u>-</u>             |
| <br>  |                      |                      |
| Total net position  | <u>67,560,194</u>    | <u>57,972,045</u>    |
| <br>  |                      |                      |
| Total liabilities and net position  | <u>\$ 75,534,123</u> | <u>\$ 65,271,268</u> |

**Delta Regional Authority**  
 Statements of Net Cost  
 Years Ended September 30, 2020 and 2019

|   | <u><b>2020</b></u>              | <u><b>2019</b></u>              |
|---|---------------------------------|---------------------------------|
| <b>Program cost</b>                                       |                                 |                                 |
| Council of Inspectors General on Integrity and Efficiency |                                 |                                 |
| Fund balance with Treasury                                | \$ 24,632,062                   | \$ 24,668,449                   |
| Less: earned revenue                                      | <u>(1,010,507)</u>              | <u>(1,791,220)</u>              |
| <br>Total net program costs                               | <br><u>23,621,555</u>           | <br><u>22,877,229</u>           |
| <br>Net cost of operations                                | <br><u><u>\$ 23,621,555</u></u> | <br><u><u>\$ 22,877,229</u></u> |

**Delta Regional Authority**  
 Statements of Changes in Net Position  
 Years Ended September 30, 2020 and 2019

|  | <u>2019</u>          | <u>2018</u>          |
|--|----------------------|----------------------|
| <b>Unexpended appropriations</b>   |                      |                      |
| Beginning balance  | \$ 57,972,045        | \$ 52,807,136        |
| <b>Budgetary financing sources</b>                                       |                      |                      |
| Appropriations received  | 30,000,000           | 25,000,000           |
| Appropriations used  | (20,877,850)         | (20,723,851)         |
| <b>Other financing sources (uses)</b>                                    |                      |                      |
| Cost of operations absorbed by member states and others                  | 2,031,792            | 2,090,867            |
| Cost of operations absorbed by Rural Community Assistance Program (RCAP) | 1,170,224            | 942,237              |
| Disbursements of funds provided by member states and others              | (1,530,745)          | (1,209,116)          |
| Disbursements of Rural Community Assistance Program (RCAP) funds         | (1,205,272)          | (935,228)            |
| Total financings sources (uses)  | <u>9,588,149</u>     | <u>5,164,909</u>     |
| Total unexpended appropriations  | <u>\$ 67,560,194</u> | <u>\$ 57,972,045</u> |
| <b>Cumulative results of operations</b>                                  |                      |                      |
| Beginning balance  | \$ -                 | \$ -                 |
| <b>Budgetary financing sources</b>                                       |                      |                      |
| Appropriations used  | 20,877,850           | 20,723,851           |
| <b>Other financing sources</b>   |                      |                      |
| Imputed financing from costs absorbed by others                          | 7,688                | 9,034                |
| Disbursements of RCAP funds  | 1,205,272            | 935,228              |
| Disbursements of funds provided by member states and others              | 1,530,745            | 1,209,116            |
| Total financing sources  | <u>23,621,555</u>    | <u>22,877,229</u>    |
| Net cost of operations   | <u>23,621,555</u>    | <u>22,877,229</u>    |
| Net change   | -                    | -                    |
| Cumulative results of operations   | <u>-</u>             | <u>-</u>             |
| Net position   | <u>\$ 67,560,194</u> | <u>\$ 57,972,045</u> |

**Delta Regional Authority**  
Statement of Resources (Budgetary and Non-Budgetary)  
Years Ended September 30, 2020

|   | <u>Federal</u>       | <u>State and<br/>Other<br/>Non-<br/>Budgetary</u> | <u>RCAP<br/>Non-<br/>Budgetary</u> | <u>Combined<br/>Budgetary and<br/>Non-Budgetary</u> |
|---|----------------------|---|------------------------------------|---|
| <b>Budgetary resources</b>  |                      |   |                                    |   |
| Unobligated balance from prior year budget authority, net (discretionary and mandatory) | 11,417,441           | \$ 3,428,886                                      | \$ 4,348                           | \$ 14,850,675                                       |
| Appropriations (discretionary and mandatory)  | 30,000,000           | -   | -                                  | 30,000,000  |
| Spending authority from offsetting collections (discretionary and mandatory)            | <u>1,538,300</u>     | <u>2,031,792</u>                                  | <u>1,170,224</u>                   | <u>4,740,316</u>                                    |
| Total resources   | <u>\$ 42,955,741</u> | <u>\$ 5,460,678</u>                               | <u>\$ 1,174,572</u>                | <u>\$ 49,590,991</u>                                |
| <b>Status of budgetary resources</b>  |                      |   |                                    |   |
| New obligations and upward adjustments  | \$ 35,294,849        | \$ -  | \$ -                               | \$ 35,294,849                                       |
| Unobligated balances/unexpended funds, end of year                                      |                      |   |                                    |   |
| Apportioned, unexpired accounts   | 9,158,148            | -   | -                                  | 9,158,148   |
| Unapportioned, unexpired accounts   | <u>(1,497,256)</u>   | <u>-</u>  | <u>-</u>                           | <u>(1,497,256)</u>                                  |
| Unexpired unobligated balance, end of year  | 7,660,892            | -   | -                                  | 7,660,892   |
| Unexpended funds  | <u>-</u>             | <u>3,929,933</u>                                  | <u>(30,700)</u>                    | <u>3,899,233</u>                                    |
| Unobligated/Unexpended balance, end of year   | <u>7,660,892</u>     | <u>3,929,933</u>                                  | <u>(30,700)</u>                    | <u>11,560,125</u>                                   |
| Total budgetary resources   | <u>\$ 42,955,741</u> | <u>\$ 3,929,933</u>                               | <u>\$ (30,700)</u>                 | <u>\$ 46,854,974</u>                                |
| <b>Change in obligated balances (memorandum) (non-add) entries</b>                      |                      |   |                                    |   |
| Unpaid obligated balance, net, beginning of year  | \$ 49,891,092        | \$ 54,018   | \$ 101,440                         | \$ 50,046,550                                       |
| New obligations and upward adjustments  | 35,294,849           | 1,530,745   | 1,205,272                          | 38,030,866  |
| Unavailable   | 134,401              | -   | -                                  | 134,401   |
| Gross outlays   | <u>(21,544,956)</u>  | <u>(1,465,508)</u>                                | <u>(1,255,367)</u>                 | <u>(24,265,831)</u>                                 |
| Recoveries of prior year unpaid obligations   | (1,000)              | -   | -                                  | (1,000)   |
| Unpaid obligated balance, net, end of year  |                      |   |                                    |   |
| Undelivered orders  | 61,646,781           | -   | -                                  | 61,646,781  |
| Accounts payable  | <u>2,127,605</u>     | <u>119,255</u>                                    | <u>51,345</u>                      | <u>2,298,205</u>                                    |
| Total obligated balance, net, end of year   | <u>\$ 63,774,386</u> | <u>\$ 119,255</u>                                 | <u>\$ 51,345</u>                   | <u>\$ 63,944,986</u>                                |
| <b>Outlays, net</b>   |                      |   |                                    |   |
| Outlays, net (total) (discretionary and mandatory)                                      | <u>\$ 20,006,656</u> | <u>\$ (566,284)</u>                               | <u>\$ 85,143</u>                   | <u>\$ 19,525,515</u>                                |
| Agency outlays, net (discretionary and mandatory)                                       | <u>\$ 20,006,656</u> | <u>\$ (566,284)</u>                               | <u>\$ 85,143</u>                   | <u>\$ 19,525,515</u>                                |

**Delta Regional Authority**  
Statement of Resources (Budgetary and Non-Budgetary)  
Years Ended September 30, 2019

|   | <u>Federal</u>       | <u>State and<br/>Other<br/>Non-<br/>Budgetary</u> | <u>RCAP</u>          | <u>Combined<br/>Budgetary and<br/>Non-Budgetary</u> |
|---|----------------------|---|----------------------|---|
|   | <u>Budgetary</u>     | <u>Budgetary</u>                                  | <u>Non-Budgetary</u> | <u>Non-Budgetary</u>                                |
| <b>Budgetary resources</b>  |                      |   |                      |   |
| Unobligated balance from prior year budget authority, net (discretionary and mandatory) | 5,856,845            | \$ 2,547,135                                      | \$ (2,661)           | \$ 8,401,319  |
| Appropriations (discretionary/mandatory)  | 25,000,000           | -   | -                    | 25,000,000  |
| Spending authority from offsetting collections (discretionary and mandatory)            | 2,789,597            | 2,090,867   | 942,237              | 5,822,701   |
| Total resources   | <u>\$ 33,646,442</u> | <u>\$ 4,638,002</u>                               | <u>\$ 939,576</u>    | <u>\$ 39,224,020</u>                                |
| <b>Status of budgetary resources</b>  |                      |   |                      |   |
| New obligations and upward adjustments  | \$ 22,230,000        | \$ -  | \$ -                 | \$ 22,230,000                                       |
| Unobligated balances/unexpended funds, end of year                                      |                      |   |                      |   |
| Apportioned, unexpired accounts   | 11,416,441           | -   | -                    | 11,416,441  |
| Unapportioned, unexpired accounts   | -                    | -   | -                    | -   |
| Unexpired unobligated balance, end of year  | 11,416,441           | -   | -                    | 11,416,441  |
| Unexpended funds  | -                    | 3,428,886   | 4,348                | 3,433,234   |
| Unobligated/Unexpended balance, end of year   | <u>11,416,441</u>    | <u>3,428,886</u>                                  | <u>4,348</u>         | <u>14,849,675</u>                                   |
| Total budgetary resources   | <u>\$ 33,646,441</u> | <u>\$ 3,428,886</u>                               | <u>\$ 4,348</u>      | <u>\$ 37,079,675</u>                                |
| <b>Change in obligated balances (memorandum) (non-add) entries</b>                      |                      |   |                      |   |
| Unpaid obligated balance, net, beginning of year  | \$ 51,376,391        | \$ 90,637   | \$ 195,218           | \$ 51,662,246                                       |
| New obligations and upward adjustments  | 22,230,000           | 1,209,116   | 935,228              | 24,374,344  |
| Other   | -                    | -   | -                    | -   |
| Gross outlays   | (23,713,555)         | (1,245,735)                                       | (1,029,006)          | (25,988,296)  |
| Recoveries of prior year unpaid obligations   | (1,744)              | -   | -                    | (1,744)   |
| Unpaid obligated balance, net, end of year  |                      |   |                      |   |
| Undelivered orders  | 48,241,093           | -   | -                    | 48,241,093  |
| Accounts payable  | 1,649,999            | 54,018  | 101,440              | 1,805,457   |
| Total obligated balance, net, end of year   | <u>\$ 49,891,092</u> | <u>\$ 54,018</u>                                  | <u>\$ 101,440</u>    | <u>\$ 50,046,550</u>                                |
| <b>Outlays, net</b>   |                      |   |                      |   |
| Outlays, net (total) (discretionary and mandatory)                                      | <u>\$ 20,923,958</u> | <u>\$ (845,132)</u>                               | <u>\$ 86,769</u>     | <u>\$ 20,165,595</u>                                |
| Agency outlays, net (discretionary and mandatory)                                       | <u>\$ 20,923,958</u> | <u>\$ (845,132)</u>                               | <u>\$ 86,769</u>     | <u>\$ 20,165,595</u>                                |

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

**Note 1 – Summary of Significant Accounting Principles**

**A. Reporting Entity**

The Delta Regional Authority (DRA or the Authority) is a federal-state partnership serving a 252 county/parish area in an eight-state region. Led by a federal co-chairman and the governors of each participating state, DRA is designed to remedy severe and chronic economic distress by stimulating economic development and fostering partnerships that will have a positive impact on the region's economy. DRA helps economically distressed communities take advantage of other federal and state programs focused on basic infrastructure development and transportation improvements, business development and job training services.

The Authority is a party to allocation transfers with other federal agencies as a transferring (parent) entity. Allocation transfers are legal delegations by one department of its authority to obligate budget authority and outlay funds to another department. A separate fund account (allocation account) is created in the U.S. Department of Treasury (Treasury) as a subset of the parent fund account for tracking and reporting purposes. All allocation transfers of balances are credited to this account, and subsequent obligations and outlays incurred by the child entity are charged to this allocation account as they execute the delegated activity on behalf of the parent entity. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent entity from which the underlying legislative authority, appropriations and budget apportionments are derived. The Authority allocates funds, as the parent, to the United States Department of Agriculture (USDA) and the U.S. Economic Development Administration (EDA).

**B. Basis of Presentation**

These basic statements have been prepared from the accounting records of DRA in accordance with accounting principles generally accepted in the United States of America (GAAP) and the form and content for entity financial statements specified by the President's Office of Management and Budget (OMB) in OMB Circular No. A-136, *Financial Reporting Requirements*, as amended. GAAP, for federal entities, are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated as the official accounting standards setting body for the federal government by the American Institute of Certified Public Accountants (AICPA).

OMB Circular No. A-136 requires agencies to prepare basic statements, which include a balance sheet, statement of net cost, statement of changes in net position and statement of resources (budgetary and non-budgetary). The balance sheets present, as of September 30, 2020 and 2019, amounts of future economic benefits owned or managed by DRA (assets), amounts owed by DRA (liabilities), and amounts which comprise the difference (net position). The statements of net cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within DRA and other reporting entities. The statements of changes in net position reflect financing sources available to DRA, the cost of its operations and the net change in its financial position. The statements of resources (budgetary and non-budgetary) report an agency's budgetary activity.

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

C. Basis of Accounting

Transactions are recorded on both the accrual and budgetary basis. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints on, and control of, the use of federal funds. The accompanying balance sheets, statements of net cost and statements of changes in net position have been prepared on an accrual basis. The statements of resources (budgetary and non-budgetary) have been prepared in accordance with budgetary accounting rules.

D. Management of Financial Records

Federal appropriations are managed for DRA by the General Services Administration (GSA). Using the government-wide standard general ledger system (SGL), accounting transactions are initiated at DRA and ultimately entered into the accounting records by GSA. These transactions are designated in the accompanying financial statements as "Federal."

DRA invoices and receives funds from the various member states to be used to pay administrative costs. This process meets the requirement of originating legislation which stipulates that "IN GENERAL - Administrative expenses of the Authority (except for the expenses of the federal co-chairperson, including expenses of the alternate and staff of the federal co-chairperson, which shall be paid solely by the federal government) shall be paid (A) by the federal government, in an amount equal to 50% of the administrative expenses; and (B) by the states in the region participating in the Authority, in an amount equal to 50% of the administrative expenses." The funds received from the states are maintained in a local bank account, and transactions are initiated and managed by DRA staff. These transactions are designated in the accompanying financial statements as "State and Other."

E. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

F. Revenues and Other Financing Sources

DRA is a federal/state partnership and receives appropriations. Other financing sources for DRA consist of imputed financing sources which are costs financed by other federal entities on behalf of DRA, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*. DRA also had a reimbursable agreement with the Economic Development Authority (EDA) during fiscal year 2018, 2019 and 2020, and the Department of Labor (DOL) in fiscal year 2019 and 2020.



**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

G. Cash

At September 30, 2020 and 2019, cash consisted of deposit accounts with various financial institutions and all accounts were fully insured or otherwise collateralized.

H. General Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. DRA capitalizes property and equipment with an acquisition cost of \$5,000 or more and a useful life exceeding two years. Depreciation is charged to expense using the straight-line method over the estimated useful life of five years for equipment. Leasehold improvements are amortized over the estimated period of occupancy or the life of the improvement, whichever is less. Expenditures for repairs and maintenance are charged to operating expense as incurred.

I. Compensated Absences

The Authority's policies permit employees to accumulate annual and sick leave benefits that may be realized as paid time off. Expense and the related liability are recognized as annual leave benefits are earned. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits employees have earned but not yet realized. The maximum accrual of annual leave is 480 hours, and there is no maximum accumulation of sick leave. Compensated absence liabilities for annual leave are computed using the regular pay and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments such as Social Security, Medicare taxes and retirement computed using rates in effect at that date.

J. Net Position

Net position is the residual difference between assets and liabilities and is comprised of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent the amount of unobligated and unexpended budget authority. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation. The cumulative results of operations are the net results of the Authority's operations since inception.

K. Net Cost of Operations

Earned revenues arise from the collection of state contributions and other inter-agency agreements are deducted from the full cost of the Authority's major programs to arrive at net program cost. Earned revenues are recognized by the Authority to the extent reimbursements are payable from the public, as a result of costs incurred for services performed on the public's behalf.

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

L. Tax Exempt Status

As an instrumentality of the federal government, the Authority is exempt from income taxes imposed by any governing body whether it is a federal, state, commonwealth, local, or foreign government and exempt from sales and use taxes of the District of Columbia.

M. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

**Note 2 – Fund Balance with Treasury**

DRA’s fund balance with Treasury comes from appropriations and the reimbursable agreement with the DOT, DOL and EDA. Funds with the U.S. Treasury represent obligated and unobligated no-year funds available to finance allowable current and future expenditures. A summary of DRA’s fund balance with Treasury follows:

|   | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
| <b>Fund balance with Treasury</b>           |               |               |
| General fund                                | \$ 71,300,877 | \$ 61,307,533 |
| <b>Status of fund balance with treasury</b> |               |               |
| Unobligated balance                         |               |               |
| Available                                   | \$ 7,660,892  | \$ 11,416,440 |
| Unavailable                                 | (134,401)     | -             |
| Obligated balance not yet disbursed         | 63,774,386    | 49,891,093    |
| Total                                       | \$ 71,300,877 | \$ 61,307,533 |

**Note 3 – Accounts Receivable, Net**

Receivables are substantially made up of amounts due from the USDA, which is a major granting agency for DRA, and the Rural Community Assistance Program (RCAP). At September 30, 2020, \$51,345 was due from USDA for subgrantee expenses recorded in the financial statements as program costs; \$23,712 was due from USDA for administrative expenses; and \$97,291 was due from a parish in Louisiana for a recoup of an RCAP project where the subgrantee did not complete certain requirements to maintain eligibility under this program. This money is subsequently being remitted to the USDA. At September 30, 2019, \$101,440 was due from USDA for subgrantee expenses recorded in the financial statements as program costs; \$67,303 was due from USDA for administrative expenses; and \$109,291 was due from a parish in Louisiana for the project discussed above. DRA has historically collected any receivables due and thus has not established an allowance for uncollectible accounts.

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

**Note 4 – General Property and Equipment, Net**

General property and equipment balance consists of vehicles with a total cost of \$255,995, accumulated depreciation of \$179,652 and a net book value of \$76,343 at September 30, 2020. Vehicles are depreciated over a five year estimated useful life. Depreciation expense for the fiscal year ended September 30, 2020 was \$41,563.

General property and equipment balance consists of vehicles with a total cost of \$255,995, accumulated depreciation of \$138,089 and a net book value of \$117,906 at September 30, 2019. Vehicles are depreciated over a five year estimated useful life. Depreciation expense for the fiscal year ended September 30, 2019 was \$46,781.

**Note 5 – Funds Received as Assessments from Member States**

Funds received as assessments from the various member states are maintained in DRA’s general bank account separate from all other cash. These assessments are included with cash in the accompanying balance sheets. The states are required, by originating legislation, to pay 50% of the administrative costs of DRA. Amounts billed to the states are calculated at the beginning of each fiscal year and are based on the states’ 50% assessment of DRA administrative costs. The following table indicates funds on hand received from member states.

|   | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| Balance of state funds on hand, beginning of year | \$ -                | \$ -                |
| Current year billed to and received from states   | 1,173,913           | 1,096,859           |
| Total available from states                       | <u>\$ 1,173,913</u> | <u>\$ 1,096,859</u> |
| Balance of state funds on hand, end of year       | <u>\$ -</u>         | <u>\$ -</u>         |

**Note 6 – Liabilities Covered and Not Covered by Budgetary Resources**

Liabilities not covered by budgetary resources are liabilities for which congressional action (DRA appropriation bill) is needed before budgetary resources can be provided. Liabilities of DRA are classified as liabilities covered or not covered by budgetary resources (DRA state assessments, transfers/grants from other agencies). They are as follows:

| <b>Liabilities not covered by budgetary resources</b> | <u>2020</u>    | <u>2019</u>    |
|---|----------------|----------------|
| Leave liability (state and other)                     | \$ 120,203     | \$ 74,239      |
| Accounts payable (state and other)                    | 119,255        | 54,018         |
| Deferred inflows from grants (RCAP)                   | 66,547         | 64,372         |
| Deferred inflows from assessments (state and other)   | 125,000        | 125,000        |
| Grants payable (RCAP)                                 | 140,345        | 190,440        |
| Due to USDA (RCAP)                                    | 97,291         | 103,291        |
| Total liabilities not covered by budgetary resources  | <u>668,641</u> | <u>611,360</u> |

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

| <b>Liabilities covered by budgetary resources</b> | <u><b>2020</b></u>         | <u><b>2019</b></u>         |
|---|----------------------------|----------------------------|
| <u>Intragovernmental</u>                          |                            |                            |
| Employer contributions and payroll taxes payable  | 2,681                      | 2,040                      |
| Liability for advances and prepayments            | <u>5,512,312</u>           | <u>5,118,919</u>           |
| Total intragovernmental                           | 5,514,993                  | 5,120,959                  |
| <u>With the public</u>                            |                            |                            |
| Accounts payable                                  | 1,780,797                  | 1,559,031                  |
| Accrued funded payroll and leave                  | 9,046                      | 7,498                      |
| Employer contributions and payroll taxes payable  | <u>452</u>                 | <u>375</u>                 |
| Total with the public                             | <u>1,790,295</u>           | <u>1,566,904</u>           |
| Total liabilities covered by budgetary resources  | <u>7,305,288</u>           | <u>6,687,863</u>           |
| Total liabilities                                 | <u><u>\$ 7,973,929</u></u> | <u><u>\$ 7,299,223</u></u> |

Other liabilities are classified as current.

**Note 7 – Operating Leases**

DRA leases its primary operating facilities, including substantially all furniture and fixtures used, under a three year operating lease arrangement with Coahoma County, Mississippi. DRA also leases space for the Little Rock office and a space for the Washington D.C. office from State Services Organization, Inc. under a six year operating lease arrangement. Future minimum lease payments at September 30, 2020 are as follows:

| <u>Fiscal Year</u> | <u>Amount</u>            |
|--------------------|--------------------------|
| 2021               | \$ 106,342               |
| 2022               | 83,451                   |
| 2023               | 50,950                   |
| 2024               | 52,224                   |
| 2025               | 53,529                   |
| 2026 - 2027        | <u>68,668</u>            |
| Total              | <u><u>\$ 415,164</u></u> |

The lease with Coahoma County may be terminated by DRA should DRA fail to receive funding from the United States, the existence of DRA be terminated, or should the governing body of DRA choose to move DRA's office outside Coahoma County, Mississippi. The lease with the State Services Organization, Inc. may also be terminated for the above reasons. However, DRA will be liable for four months of base rent upon early termination of the State Services Organization, Inc. lease agreement. The DFA lease agreement requires termination through a 180 days' written notice if funds are insufficient for the DRA to continue operations where office space is being used. Rental expense was \$145,179 and \$145,491 for the years ended September 30, 2020 and 2019, respectively.

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

**Note 8 – Inter-Entity Costs**

DRA recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs relate to employee benefits. DRA recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, Office of Personnel Management. For the periods ended September 30, 2020 and 2019, respectively, inter-entity costs were \$7,688 and \$9,034, respectively.

**Note 9 – Apportionment Categories of Obligations Incurred**

The direct obligations are obligations incurred against amounts apportioned under category B on the latest Standard Form (SF) 132. The reimbursable obligations are those incurred against the reimbursable agreements with Treasury. A summary of these obligations are as follows:

|  | <u>2020</u>          | <u>2019</u>          |
|--|----------------------|----------------------|
| Direct - category B grants             | \$ 31,271,132        | \$ 19,434,327        |
| Direct - category B administration     | 1,096,148            | 1,811,636            |
| Reimbursed - category B grants         | 2,793,780            | 946,382              |
| Reimbursed - category B administration | 133,789              | 37,655               |
| Total obligations                      | <u>\$ 35,294,849</u> | <u>\$ 22,230,000</u> |

**Note 10 – Undelivered Orders at the End of the Period**

The amount of the DRA’s budgetary resources obligated for unpaid undelivered orders was \$61,646,781 and \$48,241,093 as of September 30, 2020 and 2019, respectively.

|                          | <u>Unpaid<br/>Undelivered<br/>Orders</u> | <u>Paid<br/>Underlivered<br/>Orders</u> | <u>Total<br/>Undelivered<br/>Orders</u> |
|--------------------------|--|---|---|
| <b>Intragovernmental</b> |  |   |   |
| 2020                     | \$ (2,023)                               | \$ -                                    | \$ (2,023)                              |
| 2019                     | \$ 24,157                                | \$ -                                    | \$ 24,157                               |
| <b>With the Public</b>   |  |   |   |
| 2020                     | \$ 61,648,804                            | \$ -                                    | \$ 61,648,804                           |
| 2019                     | \$ 48,217,132                            | \$ -                                    | \$ 48,217,132                           |

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

**Note 11 – Explanation of the Relationship Between Liabilities Not Covered by Budgetary Resources on the Balance Sheets and the Change in Components Requiring or Generating Resources in the Future Periods**

Liabilities not covered by budgetary resources totaled \$668,641 and \$611,360 at September 30, 2020 and 2019, respectively. The changes are the net increase/decrease of future funded expenses for annual leave and represent the difference between appropriations of annual funds for the prior and current annual funds. Accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations. The unfunded leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period. There were no increases/decreases in components requiring resources in future periods at September 30, 2020 and 2019.

**Note 12 – Costs and Exchange Revenue**

Intragovernmental costs are those good/services purchased from a federal entity:

|  | <u>2020</u>          | <u>2019</u>          |
|--|----------------------|----------------------|
| <b>Program Costs</b>                   |                      |                      |
| Intragovernmental costs                | \$ 243,532           | \$ 222,457           |
| Public costs                           | 24,388,530           | 24,445,992           |
| Total program costs                    | <u>24,632,062</u>    | <u>24,668,449</u>    |
| Less: intragovernmental earned revenue | <u>1,010,507</u>     | <u>1,791,220</u>     |
| Total net program costs                | <u>\$ 23,621,555</u> | <u>\$ 22,877,229</u> |

**Note 13 – Pension Plans**

Plan Description

The Authority contributes to a defined contribution 401(k) plan covering all non-federal employees. Retirement expense is recorded for the amount of the Authority's required contributions, determined in accordance with the terms of the plan. The plan is administered by Advanced Data Processing, Inc. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the Plan Document and were established and can be amended by action of the Authority's governing body.

Additionally, the Authority's federal employees participate in the Federal Employees' Retirement System (FERS), a cost-sharing, multiple-employer defined benefit pension plan. FERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to the plan members and beneficiaries.

Funding Policy

Contributions made by the Authority to the 401(k) defined contribution plan amounted to approximately \$144,000 and \$121,000 for the years ended September 30, 2020 and 2019, respectively.

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

FERS covered employees, depending upon his or her hire date, are required to contribute between 0.8% and 4.4% of their annual covered salary. The Authority was required to contribute 11.9% of annual covered payroll. The Authority’s contributions to FERS for the years ended September 30, 2020 and 2019, were approximately \$25,391 and \$20,170, respectively, which equaled the required contributions for each year.

**Note 14 – Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to errors and omissions and natural disasters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

**Note 15 – Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government**

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the *Budget of the United States Government* (Budget). Budgetary resources made available to DRA include current appropriations, unobligated appropriations and recoveries of prior year obligations. The Budget that will include the FY 2020 actual budgetary execution information is scheduled for publication in February 2021, which will be available through OMB’s website (<http://www.whitehouse.gov/omb>). Accordingly, information required for such disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2019 SBR and the related President’s Budget reflected the following:

| <b>FY2019</b>                        | <b>Budgetary Resources</b> | <b>New Obligations and Upward Adjustments</b> | <b>Distributed Offsetting Receipts</b> | <b>Net Outlays</b> |
|--------------------------------------|----------------------------|---|--|--------------------|
| Statement of Budgetary Resources     | \$ 33,646,442              | \$ 22,230,000                                 | \$ -                                   | \$ 20,923,958      |
| <i>Budget of the U.S. Government</i> | 34,000,000                 | 23,000,000                                    |  | 21,000,000         |
|                                      | <u>\$ (353,558)</u>        | <u>\$ (770,000)</u>                           | <u>\$ -</u>                            | <u>\$ (76,042)</u> |

The difference between the Statement of Budgetary Resources and the *Budget of the United States Government* for budgetary resources, obligations incurred and net outlays are primarily due to rounding. Note accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations, whereas unfunded annual leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

**Note 16 – Net Adjustments To Unobligated Balance, Brought Forward, October 1**

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2020, and 2019, consisted of recoveries of prior year obligations totaling \$1,000 and \$1,744, respectively.

**Note 17 – Reconciliation of Net Cost of Operations (Proprietary) to Budget**

Budgetary resources obligated are obligations for personnel, goods, services, benefits, etc., made by the Authority in order to conduct operations or acquire assets. Other (i.e., non-budgetary) financing resources are also utilized by the Authority in its program (proprietary) operations. For example, spending authority from offsetting collections and recoveries are financial resources from the recoveries of prior year obligations (e.g., the completion of a contract in which not all the funds were used) and refunds or other collections (i.e., funds used to conduct operations that were previously budgeted). An imputed financing source is recognized for future federal employee benefits costs incurred for the Authority employees that will be funded by Office of Personnel Management (OPM). Changes in budgetary resources obligated for goods, services and benefits ordered but not yet provided represent the difference between the beginning and ending balances of undelivered orders (i.e., goods and services received during the year based on obligations incurred the prior year represent a cost of operations not funded from budgetary resources). Resources that finance the acquisition of assets are budgetary resources used to finance assets and net cost of operations (e.g., increases in accounts receivables or capitalized assets). Financing sources yet to be provided represent financing that will be provided in future periods for future costs that are recognized in determining the net cost of operations for the present period. Finally, components not requiring or generating resources are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

A reconciliation between budgetary resources obligated and net cost of operations (i.e., providing an explanation between budgetary and proprietary accounting) is as follows:



**Delta Regional Authority**  
Notes to Financial Statements  
September 30, 2020 and 2019

|   | <u>2020</u>          | <u>2019</u>          |
|---|----------------------|----------------------|
| Budgetary resources obligated   | \$ 35,293,105        | \$ 22,230,000        |
| Spending authority from recoveries and offsetting collections   | (1,538,300)          | (2,787,854)          |
| Imputed financing from costs absorbed by others   | 7,688                | 9,034                |
| Disbursements of funds provided by member states and others   | 1,530,745            | 1,209,116            |
| Disbursements of RCAP funds   | 1,205,272            | 935,228              |
| Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided | (12,876,955)         | 1,281,705            |
| Resources that finance the acquisition of assets  | <u>-</u>             | <u>-</u>             |
| Net cost of operations  | <u>\$ 23,621,555</u> | <u>\$ 22,877,229</u> |

**Note 18 – Subsequent Events**

DRA has evaluated subsequent events occurring after the balance sheet date and through the date of November 15, 2020, the date the financial statements were available for release. Based upon this evaluation, DRA has determined that no subsequent events have occurred which require disclosure in the financial statements.

## Delta Regional Authority

Combining Balance Sheet

September 30, 2020

|  | <u>Federal</u>       | <u>State and<br/>Other</u> | <u>RCAP</u>       | <u>Total</u>         |
|--|----------------------|----------------------------|-------------------|----------------------|
| <b>Assets</b>  |                      |                            |                   |                      |
| Intragovernmental  |                      |                            |                   |                      |
| Fund balance with Treasury   | \$ 71,300,877        | \$ -                       | \$ -              | \$ 71,300,877        |
| Total intragovernmental  | <u>71,300,877</u>    | <u>-</u>                   | <u>-</u>          | <u>71,300,877</u>    |
| Cash   | -                    | 3,859,708                  | 124,847           | 3,984,555            |
| Accounts receivable, net   | -                    | -                          | 172,348           | 172,348              |
| General property and equipment, net                                      | <u>-</u>             | <u>76,343</u>              | <u>-</u>          | <u>76,343</u>        |
| Total assets   | <u>\$ 71,300,877</u> | <u>\$ 3,936,051</u>        | <u>\$ 297,195</u> | <u>\$ 75,534,123</u> |
| <b>Liabilities</b>   |                      |                            |                   |                      |
| Intragovernmental  |                      |                            |                   |                      |
| Employer contributions and payroll taxes payable                         | \$ 2,681             | \$ -                       | \$ -              | \$ 2,681             |
| Liability for advances and prepayments                                   | <u>5,512,312</u>     | <u>-</u>                   | <u>-</u>          | <u>5,512,312</u>     |
| Total intragovernmental  | 5,514,993            | -                          | -                 | 5,514,993            |
| Interfund transfers  | 334,628              | (358,340)                  | 23,712            | -                    |
| Accounts payable   | 1,780,797            | 119,255                    | -                 | 1,900,052            |
| Grants and other payables  | 452                  | 125,000                    | 304,183           | 429,635              |
| Accrued funded payroll and leave   | <u>9,046</u>         | <u>120,203</u>             | <u>-</u>          | <u>129,249</u>       |
| Total liabilities  | <u>7,639,916</u>     | <u>6,118</u>               | <u>327,895</u>    | <u>7,973,929</u>     |
| <b>Net position</b>  |                      |                            |                   |                      |
| Unexpended appropriations - all other funds (consolidated totals)        | 63,660,961           | 3,929,933                  | (30,700)          | 67,560,194           |
| Cumulative results of operations - all other funds (consolidated totals) | <u>-</u>             | <u>-</u>                   | <u>-</u>          | <u>-</u>             |
| Total net position   | <u>63,660,961</u>    | <u>3,929,933</u>           | <u>(30,700)</u>   | <u>67,560,194</u>    |
| Total liabilities and net position                                       | <u>\$ 71,300,877</u> | <u>\$ 3,936,051</u>        | <u>\$ 297,195</u> | <u>\$ 75,534,123</u> |

**Delta Regional Authority**  
Combining Balance Sheet  
September 30, 2019

|  | <u>Federal</u>       | <u>State and<br/>Other</u> | <u>RCAP</u>       | <u>Total</u>         |
|--|----------------------|----------------------------|-------------------|----------------------|
| <b>Assets</b>  |                      |                            |                   |                      |
| Intragovernmental  |                      |                            |                   |                      |
| Fund balance with Treasury   | \$ 61,307,533        | \$ -                       | \$ -              | \$ 61,307,533        |
| Total intragovernmental  | <u>61,307,533</u>    | <u>-</u>                   | <u>-</u>          | <u>61,307,533</u>    |
| Cash   | -                    | 3,414,950                  | 152,845           | 3,567,795            |
| Accounts receivable, net   | -                    | -                          | 278,034           | 278,034              |
| General property and equipment, net                                      | -                    | 117,906                    | -                 | 117,906              |
|  | <u>-</u>             | <u>117,906</u>             | <u>-</u>          | <u>117,906</u>       |
| Total assets   | <u>\$ 61,307,533</u> | <u>\$ 3,532,856</u>        | <u>\$ 430,879</u> | <u>\$ 65,271,268</u> |
| <b>Liabilities</b>   |                      |                            |                   |                      |
| Intragovernmental  |                      |                            |                   |                      |
| Employer contributions and payroll taxes payable                         | \$ 2,040             | \$ -                       | \$ -              | \$ 2,040             |
| Liability for advances and prepayments                                   | 5,118,919            | -                          | -                 | 5,118,919            |
| Total intragovernmental  | <u>5,120,959</u>     | <u>-</u>                   | <u>-</u>          | <u>5,120,959</u>     |
| Interfund transfers  | 80,859               | (149,287)                  | 68,428            | -                    |
| Accounts payable   | 1,559,031            | 54,018                     | -                 | 1,613,049            |
| Grants and other payables  | 375                  | 125,000                    | 358,103           | 483,478              |
| Accrued funded payroll and leave   | 7,498                | 74,239                     | -                 | 81,737               |
|  | <u>7,498</u>         | <u>74,239</u>              | <u>-</u>          | <u>81,737</u>        |
| Total liabilities  | <u>6,768,722</u>     | <u>103,970</u>             | <u>426,531</u>    | <u>7,299,223</u>     |
| <b>Net position</b>  |                      |                            |                   |                      |
| Unexpended appropriations - all other funds (consolidated totals)        | 54,538,811           | 3,428,886                  | 4,348             | 57,972,045           |
| Cumulative results of operations - all other funds (consolidated totals) | -                    | -                          | -                 | -                    |
|  | <u>-</u>             | <u>-</u>                   | <u>-</u>          | <u>-</u>             |
| Total net position   | <u>54,538,811</u>    | <u>3,428,886</u>           | <u>4,348</u>      | <u>57,972,045</u>    |
| Total liabilities and net position                                       | <u>\$ 61,307,533</u> | <u>\$ 3,532,856</u>        | <u>\$ 430,879</u> | <u>\$ 65,271,268</u> |

**Delta Regional Authority**  
Combining Statement of Net Cost  
Year Ended September 30, 2020

|  | <u>Federal</u>              | <u>State and<br/>Other</u> | <u>RCAP</u>                | <u>Total</u>                |
|--|-----------------------------|----------------------------|----------------------------|-----------------------------|
| <b>Program cost</b>  |                             |                            |                            |                             |
| Council of Inspectors General on<br>Integrity and Efficiency |                             |                            |                            |                             |
| Gross costs  | \$ 21,896,045               | \$ 1,530,745               | \$ 1,205,272               | \$ 24,632,062               |
| Less: earned revenue   | <u>(1,010,507)</u>          | <u>-</u>                   | <u>-</u>                   | <u>(1,010,507)</u>          |
| Total net program cost                                       | <u>20,885,538</u>           | <u>1,530,745</u>           | <u>1,205,272</u>           | <u>23,621,555</u>           |
| Net cost of operations                                       | <u><u>\$ 20,885,538</u></u> | <u><u>\$ 1,530,745</u></u> | <u><u>\$ 1,205,272</u></u> | <u><u>\$ 23,621,555</u></u> |

**Delta Regional Authority**  
Combining Statement of Net Cost  
Year Ended September 30, 2019

|  | <u>Federal</u>              | <u>State and<br/>Other</u> | <u>RCAP</u>              | <u>Total</u>                |
|--|-----------------------------|----------------------------|--------------------------|-----------------------------|
| <b>Program cost</b>  |                             |                            |                          |                             |
| Council of Inspectors General on<br>Integrity and Efficiency |                             |                            |                          |                             |
| Gross costs  | \$ 22,524,105               | \$ 1,209,116               | \$ 935,228               | \$ 24,668,449               |
| Less: earned revenue   | <u>(1,791,220)</u>          | <u>-</u>                   | <u>-</u>                 | <u>(1,791,220)</u>          |
| Total net program cost                                       | <u>20,732,885</u>           | <u>1,209,116</u>           | <u>935,228</u>           | <u>22,877,229</u>           |
| Net cost of operations                                       | <u><u>\$ 20,732,885</u></u> | <u><u>\$ 1,209,116</u></u> | <u><u>\$ 935,228</u></u> | <u><u>\$ 22,877,229</u></u> |

**Delta Regional Authority**  
Combining Statement of Changes in Net Position  
Year Ended September 30, 2020

|   | <u>Federal</u>       | <u>State and<br/>Other</u> | <u>RCAP</u>        | <u>Total</u>         |
|---|----------------------|----------------------------|--------------------|----------------------|
| <b>Unexpended appropriations</b>                            |                      |                            |                    |                      |
| Beginning balance   | \$ 54,538,811        | \$ 3,428,886               | \$ 4,348           | \$ 57,972,045        |
| <b>Budgetary financing sources</b>                          |                      |                            |                    |                      |
| Appropriations received                                     | 30,000,000           | -                          | -                  | 30,000,000           |
| Appropriations used   | (20,877,850)         | -                          | -                  | (20,877,850)         |
| <b>Other financing sources (uses)</b>                       |                      |                            |                    |                      |
| Cost of operations absorbed by member states and others     | -                    | 2,031,792                  | -                  | 2,031,792            |
| Cost of operations absorbed by RCAP                         | -                    | -                          | 1,170,224          | 1,170,224            |
| Disbursements of funds provided by member states and others | -                    | (1,530,745)                | -                  | (1,530,745)          |
| Disbursements of RCAP funds                                 | -                    | -                          | (1,205,272)        | (1,205,272)          |
| Total financings sources (uses)                             | <u>9,122,150</u>     | <u>501,047</u>             | <u>(35,048)</u>    | <u>9,588,149</u>     |
| Total unexpended appropriations                             | <u>\$ 63,660,961</u> | <u>\$ 3,929,933</u>        | <u>\$ (30,700)</u> | <u>\$ 67,560,194</u> |
| <b>Cumulative results of operations</b>                     |                      |                            |                    |                      |
| Beginning balance   | \$ -                 | \$ -                       | \$ -               | \$ -                 |
| <b>Budgetary financing sources</b>                          |                      |                            |                    |                      |
| Appropriations used   | 20,877,850           | -                          | -                  | 20,877,850           |
| <b>Other financing sources</b>                              |                      |                            |                    |                      |
| Imputed financing from costs absorbed by others             | 7,688                | -                          | -                  | 7,688                |
| Disbursements of RCAP funds                                 | -                    | -                          | 1,205,272          | 1,205,272            |
| Disbursements of funds provided by member states and others | -                    | 1,530,745                  | -                  | 1,530,745            |
| Total financing sources                                     | 20,885,538           | 1,530,745                  | 1,205,272          | 23,621,555           |
| Net cost of operations                                      | <u>20,885,538</u>    | <u>1,530,745</u>           | <u>1,205,272</u>   | <u>23,621,555</u>    |
| Net change  | -                    | -                          | -                  | -                    |
| Total cumulative results of operations                      | <u>-</u>             | <u>-</u>                   | <u>-</u>           | <u>-</u>             |
| Net position  | <u>\$ 63,660,961</u> | <u>\$ 3,929,933</u>        | <u>\$ (30,700)</u> | <u>\$ 67,560,194</u> |

**Delta Regional Authority**  
Combining Statement of Changes in Net Position  
Year Ended September 30, 2019

|   | <u>Federal</u>       | <u>State and<br/>Other</u> | <u>RCAP</u>     | <u>Total</u>         |
|---|----------------------|----------------------------|-----------------|----------------------|
| <b>Unexpended appropriations</b>                            |                      |                            |                 |                      |
| Beginning balance   | \$ 50,262,662        | \$ 2,547,135               | \$ (2,661)      | \$ 52,807,136        |
| <b>Budgetary financing sources</b>                          |                      |                            |                 |                      |
| Appropriations received                                     | 25,000,000           | -                          | -               | 25,000,000           |
| Appropriations used   | (20,723,851)         | -                          | -               | (20,723,851)         |
| <b>Other financing sources (uses)</b>                       |                      |                            |                 |                      |
| Cost of operations absorbed by member states and others     | -                    | 2,090,867                  | -               | 2,090,867            |
| Cost of operations absorbed by RCAP                         | -                    | -                          | 942,237         | 942,237              |
| Disbursements of funds provided by member states and others | -                    | (1,209,116)                | -               | (1,209,116)          |
| Disbursements of RCAP funds                                 | -                    | -                          | (935,228)       | (935,228)            |
| Total financings sources (uses)                             | <u>4,276,149</u>     | <u>881,751</u>             | <u>7,009</u>    | <u>5,164,909</u>     |
| Total unexpended appropriations                             | <u>\$ 54,538,811</u> | <u>\$ 3,428,886</u>        | <u>\$ 4,348</u> | <u>\$ 57,972,045</u> |
| <b>Cumulative results of operations</b>                     |                      |                            |                 |                      |
| Beginning balance   | \$ -                 | \$ -                       | \$ -            | \$ -                 |
| <b>Budgetary financing sources</b>                          |                      |                            |                 |                      |
| Appropriations used   | 20,723,851           | -                          | -               | 20,723,851           |
| <b>Other financing sources</b>                              |                      |                            |                 |                      |
| Imputed financing from costs absorbed by others             | 9,034                | -                          | -               | 9,034                |
| Disbursements of RCAP funds                                 | -                    | -                          | 935,228         | 935,228              |
| Disbursements of funds provided by member states and others | -                    | 1,209,116                  | -               | 1,209,116            |
| Total financing sources                                     | <u>20,732,885</u>    | <u>1,209,116</u>           | <u>935,228</u>  | <u>22,877,229</u>    |
| Net cost of operations                                      | <u>20,732,885</u>    | <u>1,209,116</u>           | <u>935,228</u>  | <u>22,877,229</u>    |
| Net change  | -                    | -                          | -               | -                    |
| Total cumulative results of operations                      | <u>-</u>             | <u>-</u>                   | <u>-</u>        | <u>-</u>             |
| Net position  | <u>\$ 54,538,811</u> | <u>\$ 3,428,886</u>        | <u>\$ 4,348</u> | <u>\$ 57,972,045</u> |

**Delta Regional Authority**  
Combining Reconciliation of Net Cost of Operations (Proprietary) to Budget  
Year Ended September 30, 2020

|   | <u>Federal</u>       | <u>State and<br/>Other</u> | <u>RCAP</u>         | <u>Total</u>         |
|---|----------------------|----------------------------|---------------------|----------------------|
| <b>Resources used to finance activities</b>   |                      |                            |                     |                      |
| <u>Budgetary resources obligated</u>  |                      |                            |                     |                      |
| Obligations incurred  | \$ 35,294,849        | \$ -                       | \$ -                | \$ 35,294,849        |
| Less: spending authority from offsetting collections and recoveries   | 1,537,300            | -                          | -                   | 1,537,300            |
| Obligations net of offsetting collections and recoveries  | <u>33,757,549</u>    | <u>-</u>                   | <u>-</u>            | <u>33,757,549</u>    |
| Net obligations   | 33,757,549           | -                          | -                   | 33,757,549           |
| <u>Other resources</u>  |                      |                            |                     |                      |
| Imputed financing from costs absorbed by others   | 7,688                | -                          | -                   | 7,688                |
| Disbursements of funds provided by member states and others   | -                    | 1,530,745                  | -                   | 1,530,745            |
| Disbursements of RCAP funds   | -                    | -                          | 1,205,272           | 1,205,272            |
| Net other resources used to finance activities  | <u>7,688</u>         | <u>1,530,745</u>           | <u>1,205,272</u>    | <u>2,743,705</u>     |
| Total resources used to finance activities  | 33,765,237           | 1,530,745                  | 1,205,272           | 36,501,254           |
| <b>Resources used to finance items not part of the net cost of operations</b>                                 |                      |                            |                     |                      |
| Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided         | 12,879,699           | -                          | -                   | 12,879,699           |
| Total resources used to finance items not part of the net cost of operations                                  | <u>12,879,699</u>    | <u>-</u>                   | <u>-</u>            | <u>12,879,699</u>    |
| Total resources used to finance net cost of operations  | 20,885,538           | 1,530,745                  | 1,205,272           | 23,621,555           |
| <b>Components of the net cost of operations that will require or generate resources in the future periods</b> |                      |                            |                     |                      |
| Increase in annual leave liability  | -                    | -                          | -                   | -                    |
| Total components of the net cost of operations that will require or generate resources in the future periods  | <u>-</u>             | <u>-</u>                   | <u>-</u>            | <u>-</u>             |
| Total resources used to finance the net cost of operations  | <u>\$ 20,885,538</u> | <u>\$ 1,530,745</u>        | <u>\$ 1,205,272</u> | <u>\$ 23,621,555</u> |



**Delta Regional Authority**  
Combining Reconciliation of Net Cost of Operations (Proprietary) to Budget  
Year Ended September 30, 2019

|   | <u>Federal</u>       | <u>State and<br/>Other</u> | <u>RCAP</u>       | <u>Total</u>         |
|---|----------------------|----------------------------|-------------------|----------------------|
| <b>Resources used to finance activities</b>   |                      |                            |                   |                      |
| <u>Budgetary resources obligated</u>  |                      |                            |                   |                      |
| Obligations incurred  | \$ 22,230,000        | \$ -                       | \$ -              | \$ 22,230,000        |
| Less: spending authority from offsetting collections and recoveries   | <u>2,787,854</u>     | <u>-</u>                   | <u>-</u>          | <u>2,787,854</u>     |
| Obligations net of offsetting collections and recoveries  | <u>19,442,146</u>    | <u>-</u>                   | <u>-</u>          | <u>19,442,146</u>    |
| Net obligations   | 19,442,146           | -                          | -                 | 19,442,146           |
| <u>Other resources</u>  |                      |                            |                   |                      |
| Imputed financing from costs absorbed by others   | 9,034                | -                          | -                 | 9,034                |
| Disbursements of funds provided by member states and others   | -                    | 1,209,116                  | -                 | 1,209,116            |
| Disbursements of RCAP funds   | <u>-</u>             | <u>-</u>                   | <u>935,228</u>    | <u>935,228</u>       |
| Net other resources used to finance activities  | <u>9,034</u>         | <u>1,209,116</u>           | <u>935,228</u>    | <u>2,153,378</u>     |
| Total resources used to finance activities  | 19,451,180           | 1,209,116                  | 935,228           | 21,595,524           |
| <b>Resources used to finance items not part of the net cost of operations</b>                                 |                      |                            |                   |                      |
| Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided         | <u>(1,281,705)</u>   | <u>-</u>                   | <u>-</u>          | <u>(1,281,705)</u>   |
| Total resources used to finance items not part of the net cost of operations                                  | <u>(1,281,705)</u>   | <u>-</u>                   | <u>-</u>          | <u>(1,281,705)</u>   |
| Total resources used to finance net cost of operations  | 20,732,885           | 1,209,116                  | 935,228           | 22,877,229           |
| <b>Components of the net cost of operations that will require or generate resources in the future periods</b> |                      |                            |                   |                      |
| Increase in annual leave liability  | <u>-</u>             | <u>-</u>                   | <u>-</u>          | <u>-</u>             |
| Total components of the net cost of operations that will require or generate resources in the future periods  | <u>-</u>             | <u>-</u>                   | <u>-</u>          | <u>-</u>             |
| Total resources used to finance the net cost of operations  | <u>\$ 20,732,885</u> | <u>\$ 1,209,116</u>        | <u>\$ 935,228</u> | <u>\$ 22,877,229</u> |

**Delta Regional Authority**  
 Schedule of Expenditures  
 Year Ended September 30, 2020

|                                      | <b>Paid From</b>            |                            |                            | <b>Total</b>                |
|--------------------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|
|                                      | <b>Federal</b>              | <b>State and Other</b>     | <b>RCAP</b>                |                             |
| Grants, subsidies and contributions  | \$ 19,367,857               | \$ -                       | \$ 1,205,272               | \$ 20,573,129               |
| Consulting and other services        | 535,072                     | 654,531                    | -                          | 1,189,603                   |
| Employee benefits                    | 182,524                     | 180,492                    | -                          | 363,016                     |
| Personnel services                   | 541,963                     | 490,292                    | -                          | 1,032,255                   |
| Travel and transportation of persons | 70,107                      | 54,829                     | -                          | 124,936                     |
| Rent, communications and utilities   | 126,922                     | 40,533                     | -                          | 167,455                     |
| Supplies and materials               | 41,918                      | 29,978                     | -                          | 71,896                      |
| Printing and reproduction            | 10,173                      | 11,453                     | -                          | 21,626                      |
| Office expense                       | 9,002                       | 68,637                     | -                          | 77,639                      |
| <b>Total expenditures</b>            | <b><u>\$ 20,885,538</u></b> | <b><u>\$ 1,530,745</u></b> | <b><u>\$ 1,205,272</u></b> | <b><u>\$ 23,621,555</u></b> |

**Delta Regional Authority**  
Schedule of Grants Made\*  
Years Ended September 30, 2020, 2019 and 2018

|                               | 2020                 |                       |               | 2019                 |                      |               | 2018                 |                      |               |
|-------------------------------|----------------------|-----------------------|---------------|----------------------|----------------------|---------------|----------------------|----------------------|---------------|
|                               | DRA Obligated        | Total Funds           | Funding %     | DRA Obligated        | Total Funds          | Funding %     | DRA Obligated        | Total Funds          | Funding %     |
| Basic public infrastructure   | \$ 7,981,735         | \$ 100,045,036        | 50.7%         | \$ 6,537,339         | \$ 32,502,401        | 49.7%         | \$ 8,533,368         | \$ 41,447,325        | 58.5%         |
| Transportation infrastructure | 2,442,861            | 98,550,612            | 15.5%         | 2,695,060            | 52,202,733           | 20.5%         | 2,030,162            | 18,630,577           | 13.9%         |
| Business development          | 2,644,661            | 5,896,998             | 16.8%         | 1,552,369            | 2,890,177            | 11.8%         | 1,755,889            | 8,351,196            | 12.0%         |
| Work development              | 2,550,088            | 6,664,388             | 16.2%         | 1,860,661            | 9,846,747            | 14.1%         | 1,921,076            | 19,911,775           | 13.2%         |
| Other                         | 131,000              | 131,000               | 0.8%          | 517,000              | 1,575,625            | 3.9%          | 350,000              | 450,000              | 2.4%          |
|                               | <u>\$ 15,750,345</u> | <u>\$ 211,288,034</u> | <u>100.0%</u> | <u>\$ 13,162,429</u> | <u>\$ 99,017,683</u> | <u>100.0%</u> | <u>\$ 14,590,495</u> | <u>\$ 88,790,873</u> | <u>100.0%</u> |

|                   | 2020                 |                      |               | 2019                 |                      |               | 2018                 |                      |               |
|-------------------|----------------------|----------------------|---------------|----------------------|----------------------|---------------|----------------------|----------------------|---------------|
|                   | DRA Obligated        | State Allocation     | State %       | DRA Obligated        | State Allocation     | State %       | DRA Obligated        | State Allocation     | State %       |
| State allocations |                      |                      |               |                      |                      |               |                      |                      |               |
| Alabama           | \$ 1,544,496         | \$ 1,454,239         | 10.3%         | \$ 1,627,615         | \$ 1,280,016         | 10.3%         | \$ 1,529,491         | \$ 1,242,514         | 10.3%         |
| Arkansas          | 2,816,649            | 2,068,162            | 14.6%         | 2,266,423            | 1,825,802            | 14.7%         | 2,040,625            | 1,718,707            | 14.2%         |
| Illinois          | 1,228,976            | 1,185,209            | 8.4%          | 1,057,353            | 997,776              | 8.0%          | 1,187,302            | 1,025,970            | 8.5%          |
| Kentucky          | 1,358,137            | 1,316,270            | 9.3%          | 1,270,726            | 1,163,635            | 9.4%          | 1,486,395            | 1,130,172            | 9.4%          |
| Louisiana         | 3,349,352            | 2,805,549            | 19.8%         | 2,565,003            | 2,465,089            | 19.9%         | 2,655,528            | 2,439,398            | 20.2%         |
| Mississippi       | 671,389              | 2,183,838            | 15.4%         | 1,187,201            | 1,930,012            | 15.6%         | 2,712,653            | 1,869,800            | 15.5%         |
| Missouri          | 2,684,961            | 1,611,112            | 11.4%         | 2,033,641            | 1,419,708            | 11.5%         | 1,438,501            | 1,377,358            | 11.4%         |
| Tennessee         | 2,096,385            | 1,545,621            | 10.9%         | 1,154,467            | 1,313,069            | 10.6%         | 1,540,000            | 1,275,656            | 10.6%         |
|                   | <u>\$ 15,750,345</u> | <u>\$ 14,170,000</u> | <u>100.0%</u> | <u>\$ 13,162,429</u> | <u>\$ 12,395,107</u> | <u>100.0%</u> | <u>\$ 14,590,495</u> | <u>\$ 12,079,575</u> | <u>100.0%</u> |

\*Grant obligation process for 2020 not completed as of audit report date.  
Obligations may be more than allocated due to deobligation and reobligation of prior years' unused funds.

**Delta Regional Authority**  
Schedule of Grants Made\*  
Community Infrastructure Fund (CIF)  
Years Ended September 30, 2020, 2019 and 2018

|                               | 2020                 |                       |               | 2019                |                      |               | 2018                |                      |               |
|-------------------------------|----------------------|-----------------------|---------------|---------------------|----------------------|---------------|---------------------|----------------------|---------------|
|                               | DRA Obligated        | Total Funds           | Funding %     | DRA Obligated       | Total Funds          | Funding %     | DRA Obligated       | Total Funds          | Funding %     |
| Basic public infrastructure   | \$ 8,053,311         | \$ 34,831,060         | 65.8%         | \$ 4,883,584        | \$ 22,349,683        | 84.5%         | \$ 4,480,890        | \$ 30,383,560        | 68.1%         |
| Transportation infrastructure | 4,047,383            | 273,456,007           | 33.1%         | 895,900             | 1,410,900            | 15.5%         | 2,100,000           | 2,725,000            | 31.9%         |
| Business development          | -                    | -                     | 0.0%          | -                   | -                    | 0.0%          | -                   | 0                    | 0.0%          |
| Work development              | -                    | -                     | 0.0%          | -                   | -                    | 0.0%          | -                   | -                    | 0.0%          |
| Other                         | 136,405              | 167,405               | 1.1%          | -                   | -                    | 0.0%          | -                   | -                    | 0.0%          |
|                               | <u>\$ 12,237,099</u> | <u>\$ 308,454,472</u> | <u>100.0%</u> | <u>\$ 5,779,484</u> | <u>\$ 23,760,583</u> | <u>100.0%</u> | <u>\$ 6,580,890</u> | <u>\$ 33,108,560</u> | <u>100.0%</u> |

|                   | 2020                 |                      |               | 2019                |                     |               | 2018                |                     |               |
|-------------------|----------------------|----------------------|---------------|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
|                   | DRA Obligated        | State Allocation     | State %       | DRA Obligated       | State Allocation    | State %       | DRA Obligated       | State Allocation    | State %       |
| State allocations |                      |                      |               |                     |                     |               |                     |                     |               |
| Alabama           | \$ 732,249           | \$ 732,249           | 6.0%          | \$ 707,390          | \$ 707,390          | 12.2%         | \$ -                | \$ -                | 0.0%          |
| Arkansas          | 2,509,000            | 2,509,000            | 20.5%         | 445,900             | 445,900             | 7.7%          | 1,030,684           | 1,030,684           | 15.7%         |
| Illinois          | 457,253              | 457,253              | 3.7%          | 340,621             | 340,621             | 5.9%          | 305,706             | 305,706             | 4.6%          |
| Kentucky          | 3,397,133            | 3,397,133            | 27.8%         | 1,195,102           | 1,195,102           | 20.7%         | 1,174,500           | 1,174,500           | 17.8%         |
| Louisiana         | 1,324,739            | 1,324,739            | 10.8%         | 1,608,884           | 1,608,884           | 27.8%         | 1,400,000           | 1,400,000           | 21.3%         |
| Mississippi       | 2,297,725            | 2,297,725            | 18.8%         | 1,481,587           | 1,481,587           | 25.6%         | 820,000             | 820,000             | 12.5%         |
| Missouri          | -                    | -                    | 0.0%          | -                   | -                   | 0.0%          | -                   | -                   | 0.0%          |
| Tennessee         | 1,519,000            | 1,519,000            | 12.4%         | -                   | -                   | 0.0%          | 1,850,000           | 1,850,000           | 28.1%         |
|                   | <u>\$ 12,237,099</u> | <u>\$ 12,237,099</u> | <u>100.0%</u> | <u>\$ 5,779,484</u> | <u>\$ 5,779,484</u> | <u>100.0%</u> | <u>\$ 6,580,890</u> | <u>\$ 6,580,890</u> | <u>100.0%</u> |

\*Grant obligation process for 2020 not completed as of audit report date.