

**Delta Regional Authority
Performance & Accountability Report**

September 30, 2019

Delta Regional Authority

Performance and Accountability Report

September 30, 2019

Delta Regional Authority

September 30, 2019

Federal Co-Chairman

Christopher Caldwell

States' Co-Chair

Governor Matt Bevin

Alternate Federal Co-Chairman

Vacant

Alternate States' Co-Chair

Vacant

State Governors, Designees and Alternates

Alabama

Governor Kay Ivey

Kenneth Boswell (Designee)

Crystal G. Davis (Alternate)

Louisiana

Governor John Bel Edwards

Leslie Durham

(Designee & Alternate)

Arkansas

Governor Asa Hutchinson

Amy Fecher (Designee)

Clint O'Neal (Alternate)

Mississippi

Governor Phil Bryant

Trip Polles

(Designee & Alternate)

Illinois

Governor J. B. Pritzker

Brandi Bradley (Designee)

Nicole Jai Budzinski (Alternate)

Missouri

Governor Michael L. Parson

Luke Holtschneider

(Designee)

Kentucky

Governor Matt Bevin

Sandra Dunahoo

(Designee & Alternate)

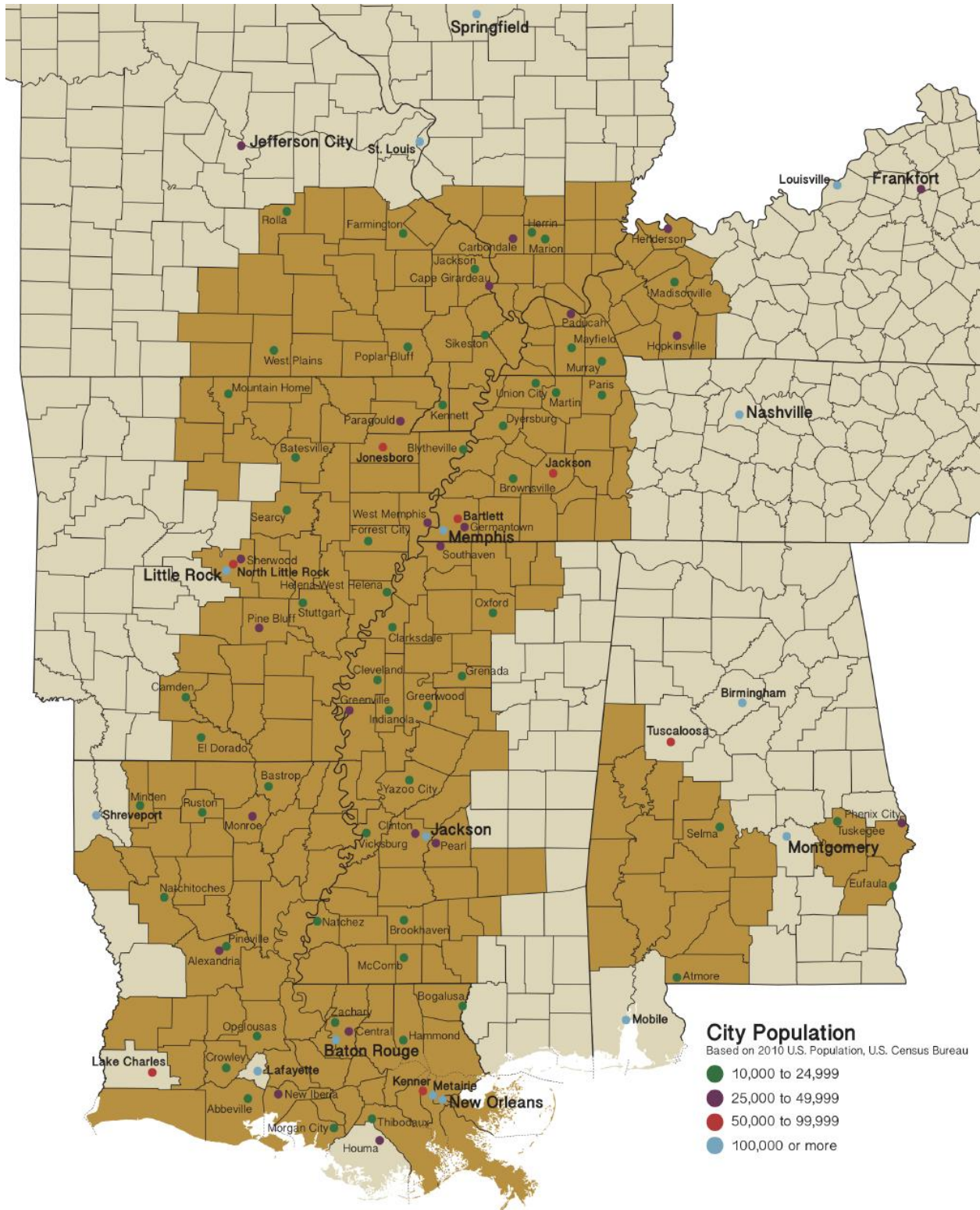
Tennessee

Governor Bill Lee

Brooxie Carlton (Designee)

Brian Kelsey (Alternate)

Delta Regional Authority Service Area



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DELTA REGIONAL AUTHORITY

November 15, 2019

Russ Vought, Acting Director
The Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Acting Director Vought:

Enclosed you will find the Delta Regional Authority's (DRA) Performance and Accountability Report for Fiscal Year 2019. This report is an accurate and comprehensive account of the Authority's performance for FY 2019, with comparative financial statements for FY 2018.

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 & Company, 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 2019, DRA - through its available funding programs - invested \$19,628,456 of its total appropriation into 87 projects in its eight-state region. This investment leveraged \$34,905,644 in other federal, state and local funds - a ratio of 1.8 to 1 for a total project investment of \$54,534,100. Additionally, DRA's investments attracted private investments totaling \$67,788,000 - a ratio of 3.5 to 1. Ultimately, DRA has leveraged \$102,693,644 in other public and private investments for a total investment ratio of 5.2 to 1.

With these investments, the 2019 DRA funding programs are expected to help achieve the following results:

- Provide 33,547 families with access to improved water and sewer;
- Train and prepare 20,775 individuals for the workforce; and
- Create and retain 3,100 jobs.

As evidenced in this report, numerous accomplishments in Fiscal Year 2019 have been witnessed in the following programs and initiatives:

- States' Economic Development Assistance Program (SEDAP)
 - Community Infrastructure Fund (CIF)
 - Public Works and Economic Adjustment Assistance (PWEAA) Program

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*Alabama • Arkansas • Illinois • Kentucky
Louisiana • Mississippi • Missouri • Tennessee*

www.dra.gov

WASHINGTON, D.C. OFFICE:
444 NORTH CAPITOL, N.W., STE. 365
WASHINGTON, D.C. 20001
PHONE: (202) 434-4870
FAX: (202) 434-4871

- Local Development Districts (LDD) Training/Administration
- Delta Leadership Institute (DLI)
 - Delta Leadership Network (DLN)
- Delta Doctors
- Innovative Readiness Training (IRT)

It is with great pleasure that DRA submits its FY 2019 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

Section 1 – Management’s Discussion and Analysis

Delta Regional Authority

Management's Discussion and Analysis
September 30, 2019

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, 2019. 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 2019

DRA – through its available funding programs – invested \$19,628,456 of its available funds into 87 projects in its eight-state region. These investments combined with \$34,905,644 in other federal, state and local funds – a ratio of 1.8 to 1 for a total project investment of \$54,534,100. Additionally, DRA's investments include private investments totaling \$67,788,000– a ratio of 3.5 to 1. Ultimately, DRA funded projects leveraged \$102,693,644 in other public and private investments for a total investment ratio of 5.2 to 1.

Delta Regional Authority
 Management's Discussion and Analysis
 September 30, 2019

With these investments, DRA's FY 2019 funding programs are expected to help achieve the following results:

- Provide 33,547 families with access to improved water and sewer;
- Train 20,775 individuals for a 21st century workforce; and
- Create and retain 3,100 jobs.

Fiscal Year 2019 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 2019 resulted in 231 distressed counties and parishes and 21 non-distressed counties (see list below).

Non-Distressed List as of September 30, 2019

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

Distressed List as of September 30, 2019

Alabama	Dallas	Monroe	Louisiana	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
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Distressed List as of September 30, 2019 (continued)

Louisiana					
Arkansas	Fulton	Ouachita	(continued)	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	Mississippi	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
Illinois	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
Kentucky	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	Missouri	Madison	Scott
Crittenden	McCracken		Bollinger	Mississippi	Shannon
Fulton	McLean		Butler	New Madrid	Ste. Genevieve
			Carter	Oregon	St. Francois
Tennessee	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
September 30, 2019

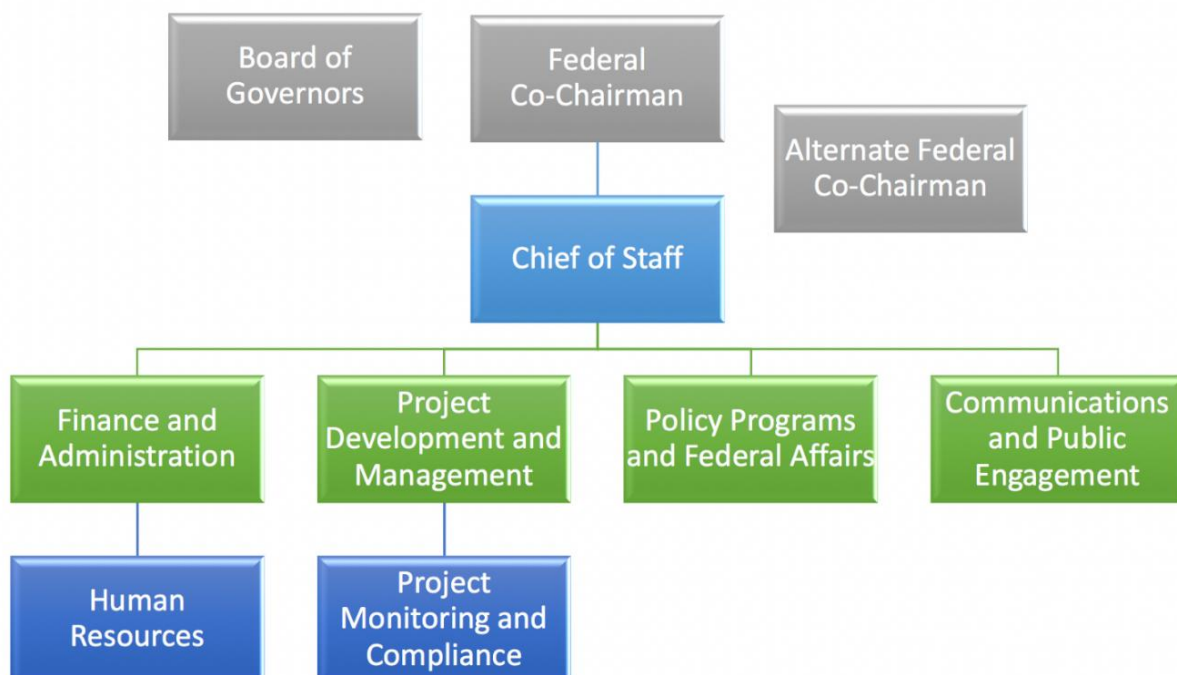
Organizational Structure

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 2019, Governor Matt Bevin of Kentucky 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 2019 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
September 30, 2019

Financial 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 17th 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, 2019, as compared to the prior year:

- Total assets increased \$5,146,661 or 9% in 2019 compared to an increase of \$11,308,731 or 23% in 2018;
- Total liabilities decreased \$18,248 or 0.2% in 2019 compared to an increase of \$5,245,972 or 253% in 2018;
- Total net program costs decreased \$459,462 or 2% in 2019 compared to an increase of \$2,293,611 or 11% in 2018;
- Financing sources of operations decreased \$459,436 or 2% in 2019 compared to an increase of \$2,267,023 or 11% in 2018; and
- Net position increased \$5,164,909 or 10% in 2019 compared to an increase of \$6,062,759 or 13% in 2018.

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
September 30, 2019

Summary Balance Sheet
As of September 30,

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
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	<u>57,972,045</u>	<u>52,807,136</u>	<u>5,164,909</u>	10%
Total liabilities & net position	<u>\$ 65,271,268</u>	<u>\$ 60,124,607</u>	<u>\$ 5,146,661</u>	9%

Summary Balance Sheet
As of September 30,

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Total assets	\$ 60,124,607	\$ 48,815,876	\$11,308,731	23%
Total liabilities	7,317,471	2,071,499	5,245,972	253%
Total net position	<u>52,807,136</u>	<u>46,744,377</u>	<u>6,062,759</u>	13%
Total liabilities & net position	<u>\$ 60,124,607</u>	<u>\$ 48,815,876</u>	<u>\$11,308,731</u>	23%

The FY 2019 and 2018 increases in total assets was largely attributable to federal appropriations for economic development purposes. Total liabilities decreased in FY 2019 due to normal trade policies during FY 2019. Net position increased in FY 2019 compared to FY 2018. The increase in net position is directly attributable to the EDA partnership. An increase in net position indicates that DRA's financial condition improved in FY 2019.

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.

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Management's Discussion and Analysis
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Summary Statement of Net Costs
Years Ended September 30,

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

Summary Statement of Net Costs
Years Ended September 30,

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Program Costs				
Gross costs	\$ 25,049,217	\$ 21,043,080	\$ 4,006,137	19%
Less: earned revenue	(1,712,526)	-	(1,712,526)	100%
Total net program costs	<u>\$ 23,336,691</u>	<u>\$ 21,043,080</u>	<u>\$ 2,293,611</u>	11%

The FY 2019 decrease in total net program costs is attributable to a decrease in EDA and SEDAP project disbursements.

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.

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

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

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

	2018	2017	\$ Change	% Change
Unexpended appropriations				
Beginning balance	\$ 46,744,351	\$ 37,556,987	\$ 9,187,364	24%
Total Financing sources	6,062,785	9,187,364	(3,124,579)	-34%
Total unexpended appropriations	<u>\$ 52,807,136</u>	<u>\$ 46,744,351</u>	<u>\$ 6,062,785</u>	13%
Cumulative results of operations				
Beginning balance	\$ 26	\$ (26,536)	\$ 26,562	-100%
Total financing sources	23,336,665	21,069,642	2,267,023	11%
Cost of operations	23,336,691	21,043,080	2,293,611	11%
Net change	(26)	26,562	(26,588)	-100%
Cumulative results of operations	-	26	(26)	100%
Net position	<u>\$ 52,807,136</u>	<u>\$ 46,744,377</u>	<u>\$ 6,062,759</u>	13%

The decrease in total financing sources is related to a decrease in disbursements of EDA and SEDAP funds expended in FY 2019 and FY 2018.

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,

	2019	2018	\$ Change	% Change
Resources (budgetary & non-budgetary)	\$ 39,224,020	\$ 39,718,713	\$ (494,693)	-1%
Status of budgetary	\$ 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%

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

	2018	2017	\$ Change	% Change
Resources (budgetary & non-budgetary)	\$ 39,718,713	\$ 33,446,330	\$ 6,272,383	19%
Status of budgetary	\$ 36,669,857	\$ 28,333,736	\$ 8,336,121	29%
Net outlays, end of year	\$ 13,993,546	\$ 16,061,792	\$ (2,068,246)	-13%
Unpaid obligated balance, net	\$ 51,662,246	\$ 47,499,884	\$ 4,162,362	

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The decrease in FY 2019 is due to a reduction in the transfer of appropriation from EDA.

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, 2019**

Audit Opinion: Unmodified
Restatement: No

Material Weakness(es)	Beginning Balance	New	Resolved	Consolidated	Ending Balance
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, 2017 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.

**Summary of Grants Oversight & New Efficiency (GONE) Act
 As of September 30, 2019**

<u>Category</u>	<u>No. of</u>	<u>2-3 Years</u>	<u>No. of</u>	<u>>3-5 Years</u>
Grants and cooperative agreements with undisbursed balances	10	\$ 1,470,249	1	\$ 9,900

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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 first 17 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.

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;

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- 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
- 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

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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, 2019, 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.
- 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.

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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.

Framework of Internal Control
Year Ended September 30, 2019

Control Environment	Risk Assessment	Control Activities	Information & Communication	Monitoring Activities
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.			

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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,
- 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.

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Management's Discussion and Analysis
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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, 2019 and 2018, 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, 2019

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)
- Public Works and Economic Adjustment Assistance (PWEAA) Program
- Local Development Districts (LDD) Training/Administration

Policy Programs and Initiatives

- Delta Leadership Institute (DLI)
- Delta Leadership Network (DLN)
- Delta Doctors

Regional Development Plan III (RDP III) Strategic Goals

In April 2016, DRA presented its third Regional Development Plan (RDP III) as an assessment of, and response to, the region's myriad opportunities, assets, and challenges. This plan serves to update the agency's Regional Development Plan II (RDP II), originally adopted in 2008. The RDP III sets forth revised goals that will drive the DRA's work through 2020, building on the successes of many of the DRA's existing programs and setting new goals for the future.

Goal 1: Improved Workforce Competitiveness.

Advance the productivity and economic competitiveness of the Delta workforce.

Access to a skilled workforce is a crucial factor affecting the ability of businesses to succeed in today's economy; thus employers are notably drawn to locations with concentrations of skilled workers. As national demographic trends project a decline in the working-age population over the coming decades, employers will increasingly have difficulties finding skilled workers. Thus, one of the most urgent priorities for communities across the country is to develop a pipeline of talented workers to support the growth of existing and future employers. This is especially true for communities in the Delta region as they compete for businesses, jobs, and economic opportunities.

Goal 2: Strengthened Infrastructure.

Strengthen the Delta's physical, digital, and capital connections to the global economy.

High-functioning transportation networks and basic infrastructure (e.g. water, wastewater, electricity, and natural gas, and affordable broadband internet) are essential for the long-term success of resilient regional economies. While it will be important to maintain the Delta region's

Delta Regional Authority
Performance Report
Year Ended September 30, 2019

existing infrastructure, there are also opportunities to make strategic investments in transportation and broadband infrastructure that will boost the region's economic potential. It is also necessary for communities to have the appropriate real estate options and financing available to attract new businesses and take advantage of the economic development opportunities available to them.

Goal 3: Increased Community Capacity.

Facilitate local capacity building within Delta communities, organizations, and businesses.

Strong local leadership in Delta communities is a prerequisite for the capacity building that will yield long-term economic prosperity for the region's businesses and residents. Competitive and resilient communities are able to attract new jobs and investment and keep those jobs thanks in large part to their high level of engagement from community and business leaders. The development of a robust entrepreneurial environment is also important to the long-term success of the region. Entrepreneurs, innovative companies, creative workers, and technology are key elements of the regional economy. Finally, the quality of place in Delta communities has a major influence on their potential for economic development, providing an attractive environment that appeals to young professionals.

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 \$201 million of its own appropriations with more than \$3.6 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 2019, DRA invested \$10 million in projects addressing flood control, basic public infrastructure, and local transportation improvements that enhance local and regional economies throughout the Delta region.

Public Works and Economic Adjustment Assistance Program (PWEAA) - In FY 2019, the U.S. Department of Commerce Economic Development Administration made \$3 million of its Public Works and Economic Adjustment Assistance program available to DRA. This program supports rural communities by investing in projects that leverage existing regional assets and the

Delta Regional Authority
Performance Report
Year Ended September 30, 2019

implementation of community development strategies that advance economic prosperity in distressed regions.

In FY 2019, DRA - through its available funding programs - invested \$19,628,456 of its total appropriation into 87 projects in its eight-state region. This investment leveraged \$34,905,644 in other federal, state and local funds - a ratio of 1.8 to 1 for a total project investment of \$54,534,100. Additionally, DRA's investments attracted private investments totaling \$67,788,000 - a ratio of 3.5 to 1. Ultimately, DRA has leveraged \$102,693,644 in other public and private investments for a total investment ratio of 5.2 to 1.

With these investments, the 2019 DRA funding programs are expected to help achieve the following results:

- Provide 33,547 families with access to improved water and sewer;
- Train and prepare 20,775 individuals for the workforce; and
- Create and retain 3,100 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.

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

Delta Regional Authority
Performance Report
Year Ended September 30, 2019

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 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 three university partners: The University of Alabama, Arkansas State University, and the University of Louisiana at Monroe.

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 2019 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 25 fellows from its fourteenth class in August 2019.

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 500 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.

In February 2019, the DLN hosted its sixth annual conference in Little Rock, AR, bringing together 200 members, partners, and prospective DLI fellows. The Delta Leadership Network Annual Conference allowed a deep dive into the current programs and strategies working in Delta communities to address cross-sector partnership opportunities for vibrant, sustainable local economies. The summer state meetings brought opportunities to learn from economic development professionals from each state.

Delta Regional Authority
Performance Report
Year Ended September 30, 2019

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.

Since the end of FY 2018, DRA has submitted 160 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

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



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

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 2019 and 2018 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, 2019 and 2018, 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 2019 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, 2019 and 2018; 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, 2019 and 2018, 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, 2019, 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 2019 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 11, 2019

Delta Regional Authority

Balance Sheets

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Intragovernmental		
Fund balance with Treasury	\$ 61,307,533	\$ 57,231,491
Total intragovernmental	<u>61,307,533</u>	<u>57,231,491</u>
Cash	3,567,795	2,415,632
Accounts receivable, net	278,034	312,797
General property and equipment, net	<u>117,906</u>	<u>164,687</u>
Total assets	<u><u>\$ 65,271,268</u></u>	<u><u>\$ 60,124,607</u></u>
Liabilities		
Intragovernmental		
Employer contributions and payroll taxes payable	\$ 2,040	\$ 1,827
Liability for advances and prepayments	<u>5,118,919</u>	<u>4,120,542</u>
Total intragovernmental	<u>5,120,959</u>	<u>4,122,369</u>
Accounts payable	1,613,049	2,630,697
Grants and other payables	483,478	493,214
Accrued funded payroll and leave	<u>81,737</u>	<u>71,191</u>
Total liabilities	<u><u>7,299,223</u></u>	<u><u>7,317,471</u></u>
Net position		
Unexpended appropriations - all other funds (consolidated totals)	57,972,045	52,807,136
Cumulative results of operations - all other funds (consolidated totals)	<u>-</u>	<u>-</u>
Total net position	<u><u>57,972,045</u></u>	<u><u>52,807,136</u></u>
Total liabilities and net position	<u><u>\$ 65,271,268</u></u>	<u><u>\$ 60,124,607</u></u>

The accompanying notes are an integral part of these statements.

Delta Regional Authority
 Statements of Net Cost
 Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Program cost		
Council of Inspectors General on Integrity and Efficiency		
Fund balance with Treasury	\$ 24,668,449	\$ 25,049,217
Less: earned revenue	<u>(1,791,220)</u>	<u>(1,712,526)</u>
 Total net program costs	 <u>22,877,229</u>	 <u>23,336,691</u>
 Net cost of operations	 <u><u>\$ 22,877,229</u></u>	 <u><u>\$ 23,336,691</u></u>

The accompanying notes are an integral part of these statements.

Delta Regional Authority
 Statements of Changes in Net Position
 Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Unexpended appropriations		
Beginning balance	<u>\$ 52,807,136</u>	<u>\$ 46,744,351</u>
Budgetary financing sources		
Appropriations received	25,000,000	25,000,000
Appropriations used	(20,723,851)	(20,275,963)
Other financing sources (uses)		
Cost of operations absorbed by member states and others	2,090,867	2,152,319
Cost of operations absorbed by Rural Community Assistance Program (RCAP)	942,237	2,235,285
Disbursements of funds provided by member states and others	(1,209,116)	(773,247)
Disbursements of Rural Community Assistance Program (RCAP) funds	<u>(935,228)</u>	<u>(2,275,609)</u>
Total financings sources (uses)	<u>5,164,909</u>	<u>6,062,785</u>
Total unexpended appropriations	<u>\$ 57,972,045</u>	<u>\$ 52,807,136</u>
Cumulative results of operations		
Beginning balance	<u>\$ -</u>	<u>\$ 26</u>
Budgetary financing sources		
Appropriations used	20,723,851	20,275,963
Other financing sources		
Imputed financing from costs absorbed by others	9,034	11,846
Disbursements of RCAP funds	935,228	2,275,609
Disbursements of funds provided by member states and others	<u>1,209,116</u>	<u>773,247</u>
Total financing sources	22,877,229	23,336,665
Net cost of operations	<u>22,877,229</u>	<u>23,336,691</u>
Net change	-	(26)
Cumulative results of operations	<u>-</u>	<u>-</u>
Net position	<u>\$ 57,972,045</u>	<u>\$ 52,807,136</u>

The accompanying notes are an integral part of these statements.

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

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Combined</u>
	<u>Budgetary</u>	<u>Non- Budgetary</u>	<u>Non- Budgetary</u>	<u>Budgetary and Non-Budgetary</u>
Budgetary resources				
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	5,856,845	\$ 2,547,135	\$ (2,661)	\$ 8,401,319
Appropriations (discretionary and mandatory)	25,000,000	-	-	25,000,000
Spending authority from offsetting collections (discretionary and mandatory)	<u>2,789,597</u>	<u>2,090,867</u>	<u>942,237</u>	<u>5,822,701</u>
Total resources	<u>\$ 33,646,442</u>	<u>\$ 4,638,002</u>	<u>\$ 939,576</u>	<u>\$ 39,224,020</u>
Status of budgetary resources				
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unexpired unobligated balance, end of year	11,416,441	-	-	11,416,441
Unexpended funds	<u>-</u>	<u>3,428,886</u>	<u>4,348</u>	<u>3,433,234</u>
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>
Change in obligated balances (memorandum) (non-add) entries				
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	<u>1,649,999</u>	<u>54,018</u>	<u>101,440</u>	<u>1,805,457</u>
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>
Outlays, net				
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>

The accompanying notes are an integral part of these statements.

Delta Regional Authority
Statement of Resources (Budgetary and Non-Budgetary)
Years Ended September 30, 2018

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Combined</u>
	<u>Budgetary</u>	<u>Non- Budgetary</u>	<u>Non-Budgetary</u>	<u>Budgetary and Non-Budgetary</u>
Budgetary resources				
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	3,524,380	\$ 1,168,063	\$ 37,663	\$ 4,730,106
Appropriations (discretionary/mandatory)	25,000,000	-	-	25,000,000
Spending authority from offsetting collections (discretionary and mandatory)	<u>5,601,003</u>	<u>2,152,319</u>	<u>2,235,285</u>	<u>9,988,607</u>
Total resources	<u>\$ 34,125,383</u>	<u>\$ 3,320,382</u>	<u>\$ 2,272,948</u>	<u>\$ 39,718,713</u>
Status of budgetary resources				
New obligations and upward adjustments	\$ 28,270,283	\$ -	\$ -	\$ 28,270,283
Unobligated balances/unexpended funds, end of year				
Apportioned, unexpired accounts	5,722,311	-	-	5,722,311
Unapportioned, unexpired accounts	<u>132,789</u>	<u>-</u>	<u>-</u>	<u>132,789</u>
Unexpired unobligated balance, end of year	5,855,100	-	-	5,855,100
Unexpended funds	<u>-</u>	<u>2,547,135</u>	<u>(2,661)</u>	<u>2,544,474</u>
Unobligated/Unexpended balance, end of year	<u>5,855,100</u>	<u>2,547,135</u>	<u>(2,661)</u>	<u>8,399,574</u>
Total budgetary resources	<u>\$ 34,125,383</u>	<u>\$ 2,547,135</u>	<u>\$ (2,661)</u>	<u>\$ 36,669,857</u>
Change in obligated balances (memorandum) (non-add) entries				
Unpaid obligated balance, net, beginning of year	\$ 47,242,566	\$ 17,730	\$ 239,588	\$ 47,499,884
New obligations and upward adjustments	28,270,283	773,247	2,275,609	31,319,139
Other	(5,270)	-	-	(5,270)
Gross outlays	(20,961,834)	(700,340)	(2,319,979)	(23,982,153)
Recoveries of prior year unpaid obligations	(3,169,354)	-	-	(3,169,354)
Unpaid obligated balance, net, end of year				
Undelivered orders	48,528,103	-	-	48,528,103
Accounts payable	<u>2,848,288</u>	<u>90,637</u>	<u>195,218</u>	<u>3,134,143</u>
Total obligated balance, net, end of year	<u>\$ 51,376,391</u>	<u>\$ 90,637</u>	<u>\$ 195,218</u>	<u>\$ 51,662,246</u>
Outlays, net				
Outlays, net (total) (discretionary and mandatory)	<u>\$ 15,360,831</u>	<u>\$ (1,451,979)</u>	<u>\$ 84,694</u>	<u>\$ 13,993,546</u>
Agency outlays, net (discretionary and mandatory)	<u>\$ 15,360,831</u>	<u>\$ (1,451,979)</u>	<u>\$ 84,694</u>	<u>\$ 13,993,546</u>

The accompanying notes are an integral part of these statements.

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

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, 2019 and 2018, 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

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

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.

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.

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

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 years 2019 and 2018, and the Department of Labor (DOL) in fiscal year 2019.

G. Cash

At September 30, 2019 and 2018, cash consisted of deposit accounts with various financial institutions. At September 30, 2019 and 2018, the Authority's cash 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 320 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.

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

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.

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.

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:

	<u>2019</u>	<u>2018</u>
Fund balance with Treasury		
General fund	\$ 61,307,533	\$ 57,231,491
Status of fund balance with treasury		
Unobligated balance		
Available	\$ 11,416,441	\$ 5,722,311
Unavailable	-	132,789
Obligated balance not yet disbursed	49,891,092	51,376,391
Total	<u>\$ 61,307,533</u>	<u>\$ 57,231,491</u>

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, 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 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, 2018, \$163,048 was due from USDA for subgrantee expenses recorded in the financial statements as program costs; \$31,458 was due from the public; and \$118,291 was due from a parish in Louisiana for the

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

project discussed above. DRA has historically collected any receivables due and thus has not established an allowance for uncollectible accounts.

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 \$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.

General property and equipment balance consists of vehicles with a total cost of \$255,995, accumulated depreciation of \$91,308 and a net book value of \$164,687 at September 30, 2018. Vehicles are depreciated over a five year estimated useful life. Depreciation expense for the fiscal year ended September 30, 2018 was \$53,937.

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>2019</u>	<u>2018</u>
Balance of state funds on hand, beginning of year	\$ -	\$ 236,538
Current year billed to and received from states	1,096,859	1,364,305
Total available from states	<u>\$ 1,096,859</u>	<u>\$ 1,600,843</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:

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Liabilities not covered by budgetary resources		
Leave liability (state and other)	\$ 74,239	\$ 64,502
Accounts payable (state and other)	54,018	90,637
Deferred inflows from grants (RCAP)	64,372	93,371
Deferred inflows from assessments (state and other)	125,000	-
Grants payable (RCAP)	190,440	284,218
Due to USDA (RCAP)	103,291	115,291
Total liabilities not covered by budgetary resources	<u>611,360</u>	<u>648,019</u>
Liabilities covered by budgetary resources		
<u>Intragovernmental</u>		
Employer contributions and payroll taxes payable	2,040	1,827
Liability for advances and prepayments	5,118,919	4,120,542
Total intragovernmental	<u>5,120,959</u>	<u>4,122,369</u>
<u>With the public</u>		
Accounts payable	1,559,031	2,540,060
Accrued funded payroll and leave	7,498	6,689
Employer contributions and payroll taxes payable	375	334
Total with the public	<u>1,566,904</u>	<u>2,547,083</u>
Total liabilities covered by budgetary resources	<u>6,687,863</u>	<u>6,669,452</u>
Total liabilities	<u>\$ 7,299,223</u>	<u>\$ 7,317,471</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 from the Department of Finance and Administration (DFA) – Division of Building Authority under an 18 month operating lease arrangement 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, 2019, was \$53,215 due in fiscal year 2020.

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

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

space is being used. Rental expense was \$140,083 and \$146,945 for the years ended September 30, 2019 and 2018, respectively.

Note 8 – 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>2019</u>	<u>2018</u>
Direct - category B grants	\$ 19,434,327	\$ 21,481,729
Direct - category B administration	1,811,636	1,463,699
Reimbursed - category B grants	946,382	5,076,695
Reimbursed - category B administration	37,655	248,160
Total obligations	<u>\$ 22,230,000</u>	<u>\$ 28,270,283</u>

Note 9 – Undelivered Orders at the End of the Period

The amount of the DRA's budgetary resources obligated for unpaid undelivered orders was \$48,241,093 and \$48,528,103 as of September 30, 2019 and 2018, respectively.

Note 10 – 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 \$611,360 and \$648,019 at September 30, 2019 and 2018, 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, 2019 and 2018.

Delta Regional Authority

Notes to Financial Statements

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Note 11 – Costs and Exchange Revenue

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

	<u>2019</u>	<u>2018</u>
Program Costs		
Intragovernmental costs	\$ 222,457	\$ 184,433
Public costs	24,445,992	24,864,784
Total program costs	<u>24,668,449</u>	<u>25,049,217</u>
Less: intragovernmental earned revenue	<u>1,791,220</u>	<u>1,712,526</u>
Total net program costs	<u><u>\$ 22,877,229</u></u>	<u><u>\$ 23,336,691</u></u>

Note 12 – 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 \$121,000 and \$156,000 for the years ended September 30, 2019 and 2018, respectively.

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, 2019 and 2018, were approximately \$20,170 and \$31,750, respectively, which equaled the required contributions for each year.

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

Note 13 – 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 14 – 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 2019 actual budgetary execution information is scheduled for publication in February 2020, 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 2018 SBR and the related President's Budget reflected the following:

<u>FY2018</u>	<u>Budgetary Resources</u>	<u>New Obligations and Upward Adjustments</u>	<u>Distributed Offsetting Receipts</u>	<u>Net Outlays</u>
Statement of Budgetary Resources	\$ 34,125,383	\$ 28,270,283	\$ -	\$ 15,360,031
<i>Budget of the U.S. Government</i>	34,000,000	28,000,000		15,000,000
	<u>\$ 125,383</u>	<u>\$ 270,283</u>	<u>\$ -</u>	<u>\$ 360,031</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, 2019 and 2018

Note 15 – 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:

	<u>2019</u>	<u>2018</u>
Budgetary resources obligated	\$ 22,230,000	\$ 28,270,283
Spending authority from recoveries and offsetting collections	(2,787,854)	(8,770,357)
Imputed financing from costs absorbed by others	9,034	11,846
Disbursements of funds provided by member states and others	1,209,116	773,247
Disbursements of RCAP funds	935,228	2,275,609
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	1,281,705	776,037
Resources that finance the acquisition of assets	-	26
Net cost of operations	<u>\$ 22,877,229</u>	<u>\$ 23,336,691</u>

Delta Regional Authority

Notes to Financial Statements

September 30, 2019 and 2018

Note 16 – Subsequent Events

DRA has evaluated subsequent events occurring after the balance sheet date and through the date of November 11, 2019, 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, 2019

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Assets				
Intragovernmental				
Fund balance with Treasury	\$ 61,307,533	\$ -	\$ -	\$ 61,307,533
Total intragovernmental	61,307,533	-	-	61,307,533
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
Total assets	<u>\$ 61,307,533</u>	<u>\$ 3,532,856</u>	<u>\$ 430,879</u>	<u>\$ 65,271,268</u>
Liabilities				
Intragovernmental				
Employer contributions and payroll taxes payable	\$ 2,040	\$ -	\$ -	\$ 2,040
Liability for advances and prepayments	5,118,919	-	-	5,118,919
Total intragovernmental	5,120,959	-	-	5,120,959
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
Total liabilities	<u>6,768,722</u>	<u>103,970</u>	<u>426,531</u>	<u>7,299,223</u>
Net position				
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)	-	-	-	-
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 Balance Sheet
September 30, 2018

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Assets				
Intragovernmental				
Fund balance with Treasury	\$ 57,231,491	\$ -	\$ -	\$ 57,231,491
Total intragovernmental	<u>57,231,491</u>	<u>-</u>	<u>-</u>	<u>57,231,491</u>
Cash	-	2,129,512	286,120	2,415,632
Accounts receivable, net	-	31,458	281,339	312,797
General property and equipment, net	-	164,687	-	164,687
	<u>-</u>	<u>164,687</u>	<u>-</u>	<u>164,687</u>
Total assets	<u>\$ 57,231,491</u>	<u>\$ 2,325,657</u>	<u>\$ 567,459</u>	<u>\$ 60,124,607</u>
Liabilities				
Intragovernmental				
Employer contributions and payroll taxes payable	\$ 1,827	\$ -	\$ -	\$ 1,827
Liability for advances and prepayments	4,120,542	-	-	4,120,542
Total intragovernmental	<u>4,122,369</u>	<u>-</u>	<u>-</u>	<u>4,122,369</u>
Interfund transfers	299,377	(376,617)	77,240	-
Accounts payable	2,540,060	90,637	-	2,630,697
Grants and other payables	334	-	492,880	493,214
Accrued funded payroll and leave	6,689	64,502	-	71,191
	<u>299,377</u>	<u>(376,617)</u>	<u>77,240</u>	<u>-</u>
Total liabilities	<u>6,968,829</u>	<u>(221,478)</u>	<u>570,120</u>	<u>7,317,471</u>
Net position				
Unexpended appropriations - all other funds (consolidated totals)	50,262,662	2,547,135	(2,661)	52,807,136
Cumulative results of operations - all other funds (consolidated totals)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>50,262,662</u>	<u>2,547,135</u>	<u>(2,661)</u>	<u>52,807,136</u>
Total liabilities and net position	<u>\$ 57,231,491</u>	<u>\$ 2,325,657</u>	<u>\$ 567,459</u>	<u>\$ 60,124,607</u>

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

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Program cost				
Council of Inspectors General on 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 Net Cost
 Year Ended September 30, 2018

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Program cost				
Council of Inspectors General on Integrity and Efficiency				
Gross costs	\$ 22,000,361	\$ 773,247	\$ 2,275,609	\$25,049,217
Less: earned revenue	<u>(1,712,526)</u>	<u>-</u>	<u>-</u>	<u>(1,712,526)</u>
 Total net program cost	 <u>20,287,835</u>	 <u>773,247</u>	 <u>2,275,609</u>	 <u>23,336,691</u>
 Net cost of operations	 <u><u>\$ 20,287,835</u></u>	 <u><u>\$ 773,247</u></u>	 <u><u>\$ 2,275,609</u></u>	 <u><u>\$23,336,691</u></u>

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

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Unexpended appropriations				
Beginning balance	\$ 50,262,662	\$ 2,547,135	\$ (2,661)	\$ 52,807,136
Budgetary financing sources				
Appropriations received	25,000,000	-	-	25,000,000
Appropriations used	(20,723,851)	-	-	(20,723,851)
Other financing sources (uses)				
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)	4,276,149	881,751	7,009	5,164,909
Total unexpended appropriations	\$ 54,538,811	\$ 3,428,886	\$ 4,348	\$ 57,972,045
Cumulative results of operations				
Beginning balance	\$ -	\$ -	\$ -	\$ -
Budgetary financing sources				
Appropriations used	20,723,851	-	-	20,723,851
Other financing sources				
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	20,732,885	1,209,116	935,228	22,877,229
Net cost of operations	20,732,885	1,209,116	935,228	22,877,229
Net change	-	-	-	-
Total cumulative results of operations	-	-	-	-
Net position	\$ 54,538,811	\$ 3,428,886	\$ 4,348	\$ 57,972,045

Delta Regional Authority
Combining Statement of Changes in Net Position
Year Ended September 30, 2018

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Unexpended appropriations				
Beginning balance	\$ 45,538,625	\$ 1,168,063	\$ 37,663	\$ 46,744,351
Budgetary financing sources				
Appropriations received	25,000,000	-	-	25,000,000
Appropriations used	(20,275,963)	-	-	(20,275,963)
Other financing sources (uses)				
Cost of operations absorbed by member states and others	-	2,152,319	-	2,152,319
Cost of operations absorbed by RCAP	-	-	2,235,285	2,235,285
Disbursements of funds provided by member states and others	-	(773,247)	-	(773,247)
Disbursements of RCAP funds	-	-	(2,275,609)	(2,275,609)
Total financings sources (uses)	<u>4,724,037</u>	<u>1,379,072</u>	<u>(40,324)</u>	<u>6,062,785</u>
Total unexpended appropriations	<u>\$ 50,262,662</u>	<u>\$ 2,547,135</u>	<u>\$ (2,661)</u>	<u>\$ 52,807,136</u>
Cumulative results of operations				
Beginning balance	\$ 26	\$ -	\$ -	\$ 26
Budgetary financing sources				
Appropriations used	20,275,963	-	-	20,275,963
Other financing sources				
Imputed financing from costs absorbed by others	11,846	-	-	11,846
Disbursements of RCAP funds	-	-	2,275,609	2,275,609
Disbursements of funds provided by member states and others	-	773,247	-	773,247
Total financing sources	20,287,809	773,247	2,275,609	23,336,665
Net cost of operations	<u>20,287,835</u>	<u>773,247</u>	<u>2,275,609</u>	<u>23,336,691</u>
Net change	(26)	-	-	(26)
Cumulative results of operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position	<u>\$ 50,262,662</u>	<u>\$ 2,547,135</u>	<u>\$ (2,661)</u>	<u>\$ 52,807,136</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 Other</u>	<u>RCAP</u>	<u>Total</u>
Resources used to finance activities				
<u>Budgetary resources obligated</u>				
Obligations incurred	\$ 22,230,000	\$ -	\$ -	\$ 22,230,000
Less: spending authority from offsetting collections and recoveries	<u>2,787,853</u>	<u>-</u>	<u>-</u>	<u>2,787,853</u>
Obligations net of offsetting collections and recoveries	<u>19,442,147</u>	<u>-</u>	<u>-</u>	<u>19,442,147</u>
Net obligations	19,442,147	-	-	19,442,147
<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	 19,451,181	 1,209,116	 935,228	 21,595,525
Resources used to finance items not part of the net cost of operations				
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 the net cost of operations	 20,732,885	 1,209,116	 935,228	 22,877,229
Components of the net cost of operations that will require or generate resources in the future periods				
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
Combining Reconciliation of Net Cost of Operations (Proprietary) to Budget
Year Ended September 30, 2018

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Resources used to finance activities				
<u>Budgetary resources obligated</u>				
Obligations incurred	\$ 28,270,283	\$ -	\$ -	\$ 28,270,283
Less: spending authority from offsetting collections and recoveries	<u>8,770,357</u>	-	-	<u>8,770,357</u>
Obligations net of offsetting collections and recoveries	<u>19,499,926</u>	-	-	<u>19,499,926</u>
Net obligations	19,499,926	-	-	19,499,926
<u>Other resources</u>				
Imputed financing from costs absorbed by others	11,846	-	-	11,846
Disbursements of funds provided by member states and others	-	773,247	-	773,247
Disbursements of RCAP funds	-	-	<u>2,275,609</u>	<u>2,275,609</u>
Net other resources used to finance activities	<u>11,846</u>	<u>773,247</u>	<u>2,275,609</u>	<u>3,060,702</u>
 Total resources used to finance activities	 19,511,772	 773,247	 2,275,609	 22,560,628
Resources used to finance items not part of the net cost of operations				
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	(776,037)	-	-	(776,037)
Other	<u>(26)</u>	-	-	<u>(26)</u>
Total resources used to finance items not part of the net cost of operations	<u>(776,063)</u>	-	-	<u>(776,063)</u>
 Total resources used to finance the net cost of operations	 <u>\$ 20,287,835</u>	 <u>\$ 773,247</u>	 <u>\$ 2,275,609</u>	 <u>\$ 23,336,691</u>

Delta Regional Authority
Schedule of Expenditures
Year Ended September 30, 2019

	Paid From			Total
	Federal	State and Other	RCAP	
Grants, subsidies and contributions	\$ 19,136,415	\$ -	\$ 935,228	\$ 20,071,643
Consulting and other services	575,242	448,710	-	1,023,952
Employee benefits	174,837	110,256	-	285,093
Personnel services	454,724	340,663	-	795,387
Seminars and meetings	-	557	-	557
Travel and transportation of persons	62,738	50,677	-	113,415
Rent, communications and utilities	252,831	56,374	-	309,205
Supplies and materials	34,835	25,649	-	60,484
Printing and reproduction	32,886	32,874	-	65,760
Office expense	8,377	143,356	-	151,733
	<u>\$ 20,732,885</u>	<u>\$ 1,209,116</u>	<u>\$ 935,228</u>	<u>\$ 22,877,229</u>

Delta Regional Authority
Schedule of Grants Made*
Years Ended September 30, 2019, 2018 and 2017

	2019			2018			2017		
	<u>DRA Obligated</u>	<u>Total Funds</u>	<u>Funding %</u>	<u>DRA Obligated</u>	<u>Total Funds</u>	<u>Funding %</u>	<u>DRA Obligated</u>	<u>Total Funds</u>	<u>Funding %</u>
Basic public infrastructure	\$ 6,537,339	\$ 32,502,401	49.7%	\$ 8,533,368	\$ 41,447,325	58.5%	\$ 3,818,801	\$ 15,580,377	37.0%
Transportation infrastructure	2,695,060	52,202,733	20.5%	2,030,162	18,630,577	13.9%	1,563,060	12,061,015	15.1%
Business development	1,552,369	2,890,177	11.8%	1,755,889	8,351,196	12.0%	2,046,194	16,674,410	19.8%
Work development	1,860,661	9,846,747	14.1%	1,921,076	19,911,775	13.2%	1,969,852	30,175,127	19.1%
Other	517,000	1,575,625	3.9%	350,000	450,000	2.4%	922,917	2,282,729	8.9%
	<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>	<u>\$ 10,320,824</u>	<u>\$ 76,773,658</u>	<u>100.0%</u>

	2019			2018			2018		
	<u>DRA Obligated</u>	<u>State Allocation</u>	<u>State %</u>	<u>DRA Obligated</u>	<u>State Allocation</u>	<u>State %</u>	<u>DRA Obligated</u>	<u>State Allocation</u>	<u>State %</u>
State allocations									
Alabama	\$ 1,627,615	\$ 1,280,016	10.3%	\$ 1,529,491	\$ 1,242,514	10.3%	\$ 1,046,252	\$ 1,046,252	10.1%
Arkansas	2,266,423	1,825,802	14.7%	2,040,625	1,718,707	14.2%	1,442,110	1,442,110	13.9%
Illinois	1,057,353	997,776	8.0%	1,187,302	1,025,970	8.5%	844,671	844,671	8.1%
Kentucky	1,270,726	1,163,635	9.4%	1,486,395	1,130,172	9.4%	924,312	924,312	8.9%
Louisiana	2,565,003	2,465,089	19.9%	2,655,528	2,439,398	20.2%	2,079,313	2,069,314	19.9%
Mississippi	1,187,201	1,930,012	15.6%	2,712,653	1,869,800	15.5%	1,468,630	1,538,098	14.8%
Missouri	2,033,641	1,419,708	11.5%	1,438,501	1,377,358	11.4%	1,152,368	1,152,368	11.1%
Tennessee	1,154,467	1,313,069	10.6%	1,540,000	1,275,656	10.6%	1,363,168	1,363,168	13.1%
	<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>	<u>\$ 10,320,824</u>	<u>\$ 10,380,293</u>	<u>100.0%</u>

*Grant obligation process for 2019 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, 2019, 2018 and 2017

	2019			2018			2017		
	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %
Basic public infrastructure	\$ 4,883,584	\$ 22,349,683	84.5%	\$ 7,240,001	\$ 85,797,841	72.5%	\$ 4,480,890	\$ 30,383,560	68.1%
Transportation infrastructure	895,900	1,410,900	15.5%	2,450,000	65,396,670	24.5%	2,100,000	2,725,000	31.9%
Business development	-	-	0.0%	300,000	9,610,052	3.0%	-	-	0.0%
Work development	-	-	0.0%	-	-	0.0%	-	-	0.0%
Other	-	-	0.0%	-	-	0.0%	-	-	0.0%
	<u>\$ 5,779,484</u>	<u>\$ 23,760,583</u>	<u>100.0%</u>	<u>\$ 9,990,001</u>	<u>\$ 160,804,563</u>	<u>100.0%</u>	<u>\$ 6,580,890</u>	<u>\$ 33,108,560</u>	<u>100.0%</u>
	2019			2018			2017		
	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %
State allocations									
Alabama	\$ 707,390	\$ 707,390	9.3%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
Arkansas	445,900	445,900	5.8%	1,030,684	1,030,684	15.7%	1,350,000	1,350,000	13.5%
Illinois	340,621	340,621	4.5%	305,706	305,706	4.6%	515,000	515,000	5.2%
Kentucky	1,195,102	1,195,102	15.7%	1,174,500	1,174,500	17.8%	800,000	800,000	8.0%
Louisiana	1,608,884	1,608,884	21.1%	1,400,000	1,400,000	21.3%	1,211,901	1,211,901	12.1%
Mississippi	1,481,587	1,481,587	19.4%	820,000	820,000	12.5%	2,963,100	2,963,100	29.7%
Missouri	-	-	0.0%	-	-	0.0%	1,600,000	1,600,000	16.0%
Tennessee	1,850,000	1,850,000	24.2%	1,850,000	1,850,000	28.1%	1,550,000	1,550,000	15.5%
	<u>\$ 7,629,484</u>	<u>\$ 7,629,484</u>	<u>100.0%</u>	<u>\$ 6,580,890</u>	<u>\$ 6,580,890</u>	<u>100.0%</u>	<u>\$ 9,990,001</u>	<u>\$ 9,990,001</u>	<u>100.0%</u>

*Grant obligation process for 2019 not completed as of audit report date.