

**DELTA REGIONAL AUTHORITY**  
**PERFORMANCE AND ACCOUNTABILITY REPORT**  
**SEPTEMBER 30, 2018**

# DELTA REGIONAL AUTHORITY

September 30, 2018

## **Federal Co-Chairman**

Christopher Caldwell

## **States' Co-Chair**

Governor Asa Hutchinson

## **Alternate Federal Co-Chairman**

*Vacant*

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

Kenneth Boswell

## STATE GOVERNORS, DESIGNEES, AND ALTERNATES

### **Alabama**

Governor Kay Ivey

Kenneth Boswell (Designee)

Kelly Chasteen (Alternate)

### **Louisiana**

Governor John Bel Edwards

Leslie Durham

(Designee & Alternate)

### **Arkansas**

Governor Asa Hutchinson

Amy Fecher

(Designee & Alternate)

### **Mississippi**

Governor Phil Bryant

Bobby Morgan

(Designee & Alternate)

### **Illinois**

Governor Bruce Rauner

Kristy Stephenson (Designee)

Kim Watson (Alternate)

### **Missouri**

Governor Mike Parson

Luke Holtschneider (Designee)

Robert Knodell (Alternate)

### **Kentucky**

Governor Matt Bevin

Sandra Dunahoo

(Designee & Alternate)

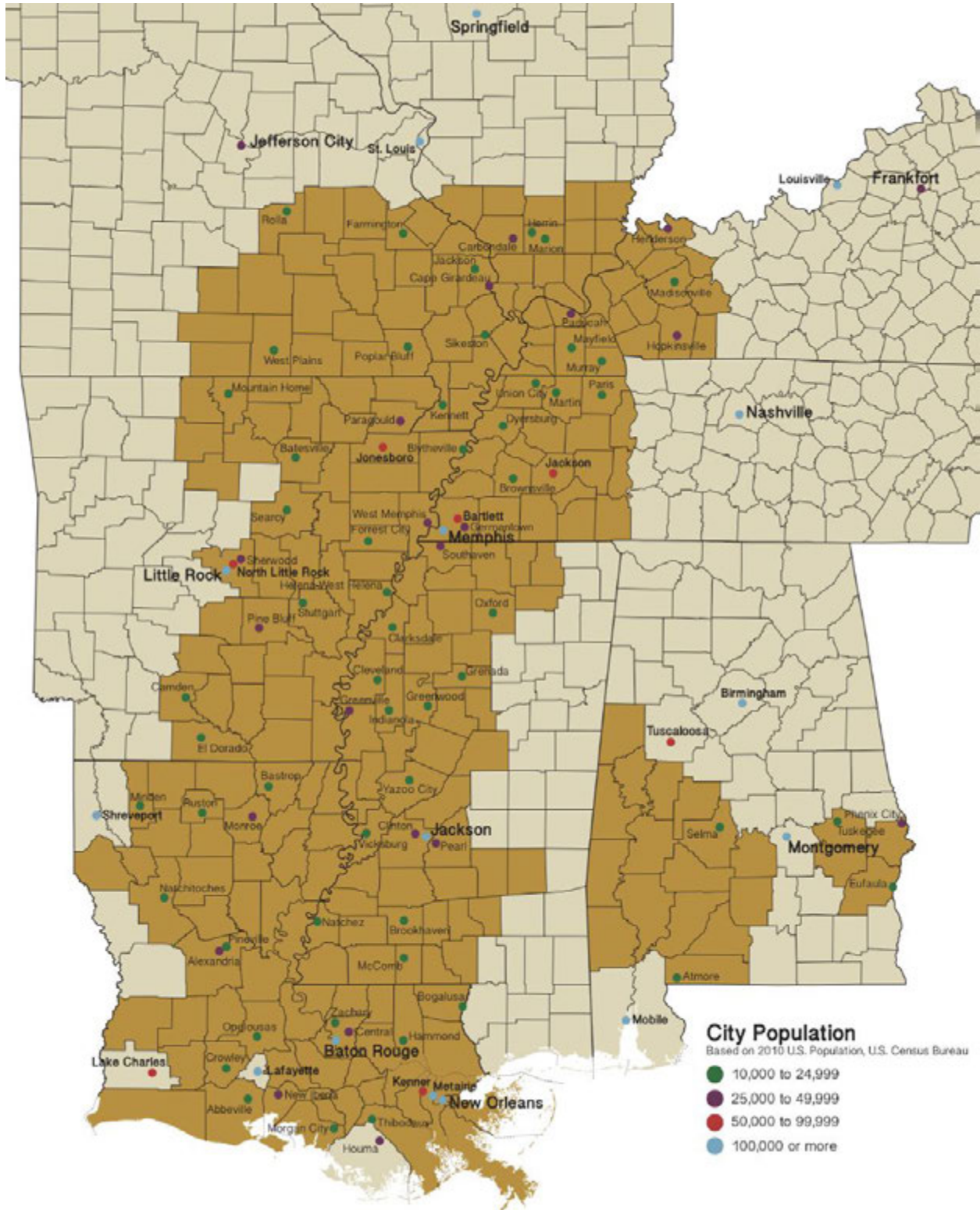
### **Tennessee**

Governor Bill Haslam

Brooxie Carlton (Designee)

Brian Kelsey (Alternate)

## DELTA REGIONAL AUTHORITY SERVICE AREA



DELTA REGIONAL AUTHORITY  
PERFORMANCE AND ACCOUNTABILITY REPORT  
SEPTEMBER 30, 2018

CONTENTS

	<u>Page</u>
Agency Head Letter	1 - 3
 <b><u>SECTION 1 – MANAGEMENT’S DISCUSSION AND ANALYSIS</u></b>	
Management’s Discussion and Analysis	4 - 18
 <b><u>SECTION 2 – PERFORMANCE SECTION</u></b>	
Performance Report	19 - 26
 <b><u>SECTION 3 – FINANCIAL SECTION</u></b>	
Independent Auditor’s Report	27 - 30
Basic Financial Statements	
Balance Sheets	31
Statements of Net Cost	32
Statements of Changes in Net Position	33
Statements of Resources (Budgetary and Non-Budgetary)	34 - 35
Notes to Financial Statements	36 - 46
Other Information	
Combining Balance Sheets	47 - 48
Combining Statements of Net Cost	49 - 50
Combining Statements of Changes in Net Position	51 - 52
Combining Reconciliation of Net Cost of Operations (Proprietary) to Budget	53 - 54
Schedule of Expenditures	55
Schedules of Grants Made	56 - 57



# DELTA REGIONAL AUTHORITY

November 12, 2018

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

Dear Director Mulvaney:

Enclosed you will find the Delta Regional Authority's (DRA) Performance and Accountability Report for FY 2018. This report is an accurate and comprehensive account of the Authority's performance for FY 2018 and includes comparative financial statements in FY 2017 and FY 2018. I am pleased to report that, to date, each and every one of DRA's independent financial audits have all been unmodified, showing that DRA is a good steward of the people's investment in this agency.

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 (FTN & Co) 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 2018, DRA – through its available funding programs– invested \$24,673,382 of its total appropriation into 88 projects in its eight-state region. This investment leveraged \$108,679,206 in other federal, state and local funds – a ratio of 4.4 to 1 for a total project investment of \$133,352,588. Additionally, DRA's investments attracted private investments totaling \$866,293,259 – a ratio of 35.1 to 1. Ultimately, DRA has leveraged \$974,972,465 in other public and private investments for a total investment ratio of 39.5 to 1.

With these investments, the 2018 DRA funding programs are expected to help achieve the following results:

- Provide 149,749 families with access to improved water and sewer;
- Train 8,857 individuals for a 21<sup>st</sup> century workforce; and
- Create and retain 5,228 jobs.

As evidenced in this report, numerous accomplishments in Fiscal Year 2018 have been witnessed in the following programs and initiatives:

- Local Development Districts (LDD) Training/Administration
- Regional Economic and Community Development Officers (RDO)
- Delta Research Consortium (DRC)
- Today's Delta 3.0
- Reimagining the Delta Workforce
- Small Business and Entrepreneurship Initiative (SB&E)
- Supporting Delta Leadership
- Promoting Tourism and the Cultural Economy
- Promoting a Healthy Delta
- Cultivating Innovative Partnerships

**REGIONAL HEADQUARTERS:**  
236 SHARKEY AVENUE, STE. 400  
CLARKSDALE, MS 38614  
PHONE: (662) 624-8600  
FAX: (662) 624-8537

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

[www.dra.gov](http://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

### Management Assurances

The Reports Consolidation Act of 2000 requires an assessment by the Agency Head of the reliability and completeness of financial and performance data in the PAR/AFR report and describe any material internal control weaknesses and actions the agency is taking to resolve the weaknesses. Those statements follow:

### Annual Assurance Statement on the System of Internal Controls

DRA contracts annually with the USDA Office of the Chief Financial Officer, Pegasys Financial Services, to perform payroll, grant accounting, budget, and certain financial reporting. DRA supplements these financial services with an off-the-shelf accounting software.

Management of Delta Regional Authority has established, maintains, and monitors a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements, execution of transactions in accordance with appropriate authorizations, protection of assets from unauthorized use or disposition, and the prevention and detection of fraudulent financial reporting.

DRA's system of internal controls provides for appropriate division of responsibility and is documented by written policies and procedures that are communicated to employees with significant roles in the financial reporting process. Management monitors the system of internal controls for compliance and cost effectiveness. Management believes that DRA's system of internal controls was adequate, at September 30, 2018, to accomplish the objectives discussed herein and in accordance with the Federal Manager's Financial Integrity Act (FMFIA) of 1982.

DRA maintains a strong internal compliance and monitoring program that independently assesses the effectiveness of the system of internal controls and recommends improvements as needed. DRA's compliance officer meets periodically with its Finance department to discuss the results of their examinations, their evaluation of the system of internal controls, and the overall quality of DRA's financial reporting.

DRA's management is responsible for preparing the financial statements contained in this annual report in accordance with accounting principles generally accepted in the United States of America for federal entities and is responsible for the audited financial statements and the unaudited financial information appearing herein.

The financial statements included herein have been audited by Fred T. Neely & Company, PLLC, an independent public accounting firm. Management made all financial records, related data, board minutes, personnel, and any other information requested by Fred T. Neely & Company, PLLC available to them as requested. The audit report issued by Fred T. Neely & Company, PLLC expressed an unmodified opinion on the fair presentation of the financial statements based on their examination conducted in accordance with generally accepted auditing standards and the financial audit requirements of Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Controls over Financial Reporting

During FY 2018, DRA's financial management conducted an assessment of the effectiveness of internal controls over financial reporting, including safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements in Appendix A to OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Controls, and A-136, Financial Reporting Requirements. Based on the results of that assessment, DRA can provide reasonable assurance that internal controls over financial reporting, as of September 30, 2018, were operating effectively and no material weaknesses were found in the design or operation of internal controls over financial reporting.

Federal Managers' Financial Integrity Act of 1982 Assurance Statement

DRA's management is responsible for managing risks and establishing and maintaining effective internal controls that meet the objectives of sections 2 and 4 of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). DRA conducted its assessment of risk and internal controls in accordance with OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. Based on the results of that assessment, DRA can provide reasonable assurance that, as of September 30, 2018, internal controls over operations, reporting, and compliance operated effectively with applicable laws and regulations, and no material weaknesses were found in the design or operation of the internal controls. Accordingly, I am pleased to certify with reasonable assurance, that DRA's systems of internal control, taken as a whole, comply with Section 2 of the FMFIA of 1982, including compliance with applicable federal accounting standards and the U.S. Standard General Ledger at the transaction level and with federal financial system requirements, in accordance with Section 4 of the FMFIA of 1982, with no material non-conformances.

It is with great pleasure that DRA submits its FY 2018 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

**REGIONAL HEADQUARTERS:**  
236 SHARKEY AVENUE, STE. 400  
CLARKSDALE, MS 38614  
PHONE: (662) 624-8600  
FAX: (662) 624-8537

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

[www.dra.gov](http://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

**SECTION 1 – MANAGEMENT DISCUSSION AND ANALYSIS**



**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

**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, 2018. 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 2018**

In FY 2018, DRA – through its available funding programs – invested \$24,673,382 of its available funds into 88 projects in its eight-state region. These investments combined with \$108,679,206 in other federal, state and local funds – a ratio of 4.4 to 1 for a total project investment of \$133,352,588. Additionally, DRA's investments include private investments

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

totaling \$866,293,259– a ratio of 35.1 to 1. Ultimately, DRA funded projects include \$974,972,465 in other public and private investments for a total investment ratio of 39.5 to 1.

With these investments, DRA's FY 2018 funding programs are expected to help achieve the following results:

- Provide 149,749 families with access to improved water and sewer;
- Train 8,857 individuals for a 21st century workforce; and
- Create and retain 5,228 jobs.

**Fiscal Year 2018 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 2018 resulted in 234 distressed counties and parishes and 18 non-distressed counties (see list below).

***Non-Distressed List as of September 30, 2018***

<b>Alabama</b>	<b>Kentucky</b>	<b>Mississippi</b>
None	None	Madison
		Rankin
<b>Arkansas</b>	<b>Louisiana</b>	<b>Missouri</b>
Arkansas	Ascension	Cape Girardeau
Desha	Cameron	
Pulaski	East Baton Rouge	
Union	Jefferson	<b>Tennessee</b>
	Orleans	Fayette
<b>Illinois</b>	Plaquemines	Madison
None	St. Charles	Shelby
	West Baton Rouge	

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

*Distressed List as of September 30, 2018*

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

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

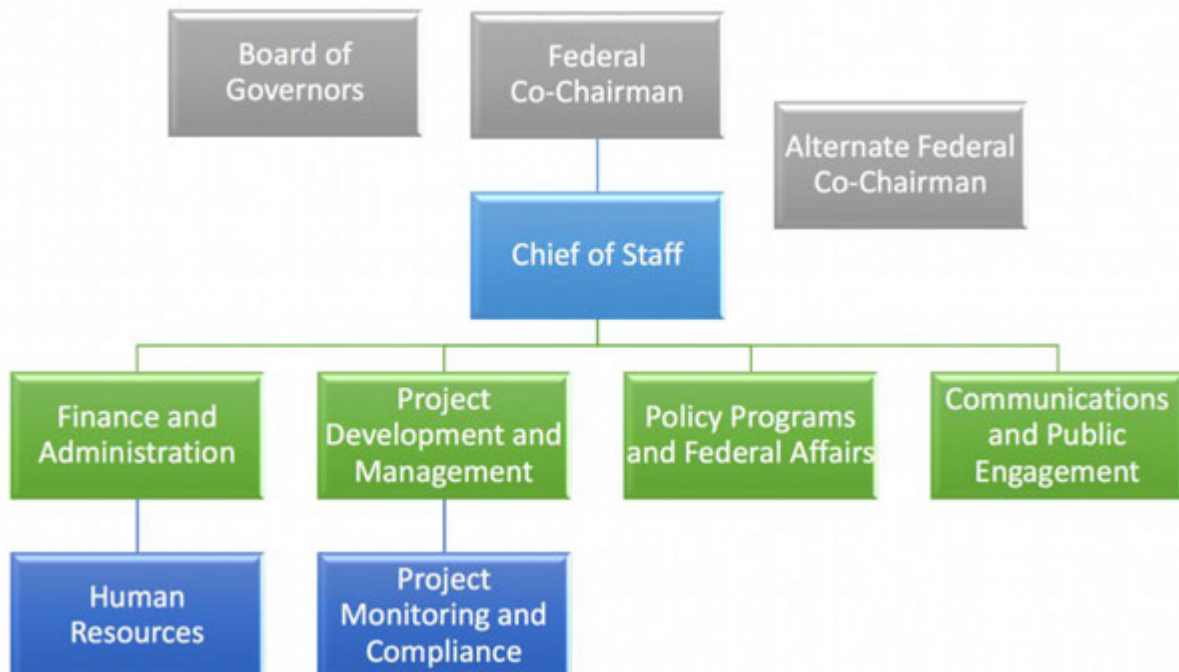
**Organizational Structure**

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 2018, Governor Asa Hutchinson of Arkansas was elected to serve as the ninth 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 where 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 2018 was the only full-time federal employee. Additionally, the DRA office employs twelve non-federal employees who carry out the day-to-day operations within the following areas: Finance and Administration; Economic and Community Development; Federal Affairs; and Public Engagement and Communication.

**Organizational Chart**



**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

**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, along with other funds, are held by banks located in the DRA Region and are accounted for by the Director of Finance and Administration.

DRA completed its 16<sup>th</sup> year of compliance with the *Accountability of Tax Dollars Act of 2002*. DRA has consistently initiated additional controls and expanded compliance testing to ensure the financial integrity of the Authority.

**Financial Highlights**

The following is a summary of changes in assets, liabilities, revenues, expenditures and net position at September 30, 2018, as compared to the prior year:

- Total assets increased \$11,308,731 or 23% in 2018 compared to an increase of \$8,762,538 or 22% in 2017;
- Total liabilities increased \$5,245,972 or 253% in 2018 compared to a decrease of \$451,387 or 18% in 2017;
- Total net program costs increased \$2,293,611 or 11% in 2018 compared to an increase of \$1,037,822 or 5% in 2017;
- Financing sources of operations increased \$2,267,023 or 11% in 2018 compared to an increase of \$1,053,215 or 5% in 2017; and
- Net position increased \$6,062,759 or 13% in 2018 compared to an increase of \$9,213,925 or 25% in 2017.

**Overview of the Financial Statements**

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

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

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

Summary Balance Sheet - Changes  
As of September 30,

	2018	2017	\$ Change	% Change
Total Assets	\$ 60,124,607	\$ 48,815,876	\$ 11,308,731	23%
Total Liabilities	7,317,471	2,071,499	5,245,972	253%
Unexpended appropriations/state funds	52,807,136	46,744,351	6,062,785	13%
Cumulative results of operations	-	26	(26)	-100%
Total Net Position	52,807,136	46,744,377	6,062,759	13%
Total Liabilities and Net Position	<u>\$ 60,124,607</u>	<u>\$ 48,815,876</u>	<u>\$ 11,308,731</u>	<u>23%</u>

The FY 2018 increase in total assets is largely attributable to federal appropriations for economic development purposes, while the FY 2017 increase is attributable to federal appropriations increasing while funding for older projects continued to be paid out year over year. Total liabilities increased in FY 2018 due to DRAs' partnership with EDA during FY 2018. Net position increased in FY 2018 compared to FY 2017. The increase in net position is directly attributable to the EDA partnership. An increase in net position indicates that DRA's financial condition has improved in FY 2018.

**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.

Summary Statement of Net Costs - Changes  
Years Ended September 30,

	2018	2017	\$ Change	% Change
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>	<u>11%</u>

The FY 2018 increase in total net program costs is attributable to an increase in EDA and SEDAP project disbursements.

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

***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 - Changes  
Years Ended September 30,

	2018	2017	\$ Change	% Change
<u>Unexpended Appropriations</u>				
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>	<u>13%</u>
<u>Cumulative Results of Operations</u>				
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%
Total Cumulative Results of Operations	-	26	(26)	-100%
Net Position	<u>\$ 52,807,136</u>	<u>\$ 46,744,377</u>	<u>\$ 6,062,759</u>	<u>13%</u>

The increase in total financing sources is related to an increase in disbursements of EDA and SEDAP funds expended in FY 2018 and an increase in SEDAP and RCAP funds in FY 2017.

***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.

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

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

	2018	2017	\$ Change	% Change
Total Resources (Budgetary & Non-Budgetary)	\$ 39,718,713	\$ 33,446,330	\$ 6,272,383	19%
Total Status of Budgetary Resources	\$ 36,669,857	\$ 28,333,736	\$ 8,336,121	29%
Net Outlays, End of Year	\$ 18,381,150	\$ 16,061,792	\$ 2,319,358	14%
Total Unpaid Obligated Balance, Net	\$ 51,662,245	\$ 47,499,884	\$ 4,162,361	9%

The increase in FY 2018 is due to a 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, 2018**

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

Material Weakness(es)	Beg. 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



**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

ending on or prior to September 30, 2016 had not been closed out. Delays in grant and cooperative agreement closeout, and challenges to be address pursuant to the GONE Act follow the table below.

**Summary of Grants Oversight & New Efficiency (GONE) Act  
As of September 30, 2018**

<u>Category</u>	<u>No. of</u>	<u>2-3 Years</u>	<u>No. of</u>	<u>&gt;3-5 Years</u>	<u>No. of</u>	<u>&gt;5 Years</u>
Grants/Cooperative Agreements with Zero Balances:	-	\$ -	-	\$ -	-	\$ -
Grants/Cooperative Agreements with Undisbursed Balances:	38	715,507	17	526,111	-	-
Totals	<u>38</u>	<u>\$ 715,507</u>	<u>17</u>	<u>\$ 526,111</u>	<u>-</u>	<u>\$ -</u>

**Challenges**

Challenges leading to 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. Another challenge identified has been the various ways DRA has obligated funds over the course of three administrations. First administration obligated with a signed grant agreement; 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**

Planned corrective actions to address these challenges: DRA will address the staffing situation to divide administrative tasks proportionally. There are still a great number of grants and cooperative agreements but more could be done to claw back unused and underutilized funding. Secondly, DRA will be looking to purchase an accounting system which will accommodate financial accounting for both DRA administrative costs and grant funding. Next, DRA will have to better train our Local Development Districts to identify earlier, projects with the potential to close out early and how to notify DRA to start that process sooner. Likewise, DRA will need to further educate our board members about why certain projects would be too risky to approve and refocus their attention on projects that are capable of moving faster. Lastly, the demographics of the Delta region must be taken into consideration and the inherent challenges that exist here. Some leeway must be given to these communities that struggle to obtain federal funds.

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

**Management Assurance of Controls and Legal Compliance**

<b><u>Effectiveness of Internal Control over Financial Reporting (FMFIAs2)</u></b>						
<b>Statement of Assurance:</b>		Unmodified				
Material Weakness(es)	Beg. Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	-	-	-	-	-	-

<b><u>Effectiveness of Internal Control over Operations (FMFIAs2)</u></b>						
<b>Statement of Assurance:</b>		Unmodified				
Material Weakness(es)	Beg. Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	-	-	-	-	-	-

<b><u>Compliance with Federal Financial Management System Requirements (FMFIAs4)</u></b>						
<b>Statement of Assurance:</b>		Federal Systems comply with financial management system requirements.				
Non-Compliance	Beg. Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total	-	-	-	-	-	-

<b><u>Compliance with Section 803(a) of the Federal Financial Management Improvement Act(FMFIA)</u></b>		
	Agency	Auditor
1. Federal Financial Management Systems Requirements	No lack of compliance noted.	No lack of compliance noted.
2. Applicable Federal Accounting Standards	No lack of compliance noted.	No lack of compliance noted.
3. USSGL at Transaction Level	No lack of compliance noted.	No lack of compliance noted.

***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---
    - (A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation;

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

- (B) 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
  - (a) 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---
    - (1) an apportionment; or
    - (2) 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

What is an Anti-Deficiency Act Violation?

- 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

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

Reporting the 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, 2018, 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 complies, in all relevant respects, with the Prompt Payment Act.

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

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

**DELTA REGIONAL AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

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

**Fraud Reduction Efforts**

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:

1. Financial and administrative controls established pursuant to the act,
2. 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,
3. Progress in identifying risks and vulnerabilities to fraud, including with respect to payroll, beneficiary payments, grants, large contracts, purchase and travel cards, and
4. Progress on establishing strategies, procedures, and other steps to curb fraud.

**Framework of Internal Control  
Year Ended September 30, 2018**

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

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. For FY 2018, government-issued travel card was 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:

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

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

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

- The Senior Bookkeeper 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 refer 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 provide copies of receipts to prove the employee initiated the charge or issue 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 submission to the Director of Finance/Administration bi-weekly 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 – establish an independent audit committee consisting of a board member,
- 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.

DRAs' 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, 2018 and 2017, 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, #400, Clarksdale, MS 38614.

**DELTA REGIONAL AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2018**

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, 2018**

**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

*Programs and Initiatives*

- Delta Leadership Institute (DLI)
- Delta Leadership Network (DLN)
- Delta Doctors
- Innovative Readiness Training (IRT)
- Local Foods, Local Places (LFLP)
- Healthy Places for Healthy People (HP2)

**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 a 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.

**DELTA REGIONAL AUTHORITY  
PERFORMANCE REPORT  
YEAR ENDED SEPTEMBER 30, 2018**

**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 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 investments 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 overall quality of 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 \$182 million of its own appropriations with more than \$3.5 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.

**DELTA REGIONAL AUTHORITY  
PERFORMANCE REPORT  
YEAR ENDED SEPTEMBER 30, 2018**

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

The Community Infrastructure Fund helps strengthen the economic viability of Delta communities. In FY 2018, 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 2018, 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 implementation of community development strategies that advance economic prosperity in distressed regions.

In FY 2018, DRA, through its available funding programs, invested \$24,673,382 of its available funds into 88 projects in its eight-state region. These investments combined with \$108,679,206 in other federal, state and local funds – a ratio of 4.4 to 1 for a total project investment of \$133,352,588. Additionally, DRA's investments include private investments totaling \$866,293,259 a ratio of 35.1 to 1. Ultimately, DRA funded projects include \$974,972,465 in other public and private investments for a total investment ratio of 39.5 to 1.

With these investments, DRA's FY 2018 funding programs are expected to help achieve the following results:

- Provide 149,749 families with access to improved water and sewer;
- Train 8,857 individuals for a 21st century workforce; and
- Create and retain 5,228 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 decisions made by DRA leadership, LDDs who are out of compliance with certification requirements are ineligible to submit applications for DRA funding. These

**DELTA REGIONAL AUTHORITY  
PERFORMANCE REPORT  
YEAR ENDED SEPTEMBER 30, 2018**

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.

Due to the delay in the confirmation of DRA's federal co-chairman, the annual LDD training was conducted via conference call and webinar in February 2018. Leadership intends to bring the LDDs together once again, in January or February 2019 to lay out changes to DRA's funding programs and monitoring and compliance requirements. This training reinforces good grant administration policies and is intended to result in improved applications and grants management. These actions help ensure DRA stakeholders are receiving the most up to date technical assistance from their LDD when applying for DRA funding.

**Goal 3: Increased Community Capacity.**

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

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

**Programs and Initiatives**

***Delta 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 2018 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 48 fellows from its thirteenth class in July 2018.

***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.

**DELTA REGIONAL AUTHORITY  
PERFORMANCE REPORT  
YEAR ENDED SEPTEMBER 30, 2018**

In February 2018, the DLN hosted its fifth annual conference in Memphis, TN, bringing together 175 members, partners, and prospective DLI fellows together. Staying Ahead of the Curve: The Next Generation Delta Workforce allowed a deep dive into the current programs and strategies working in Delta communities to address workforce needs and training challenges. The summer state meetings brought opportunities to learn from economic development professionals from each state.

**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 physicians born in the United States. 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 to 4 full and part-time jobs within the communities where they work.

Since January 2018, DRA has processed 106 J-1 Visa Waiver applications and has approved 101 applicants to be placed in a medically underserved area within 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).

***Innovative Readiness Training***

Throughout nine years of partnership, the Delta Regional Authority and the Department of Defense (DOD) have collaborated to bring the Innovative Readiness Training (IRT) program to the Mississippi River Delta and Alabama Black Belt regions. IRT medical missions deliver quality medical care, provided by licensed medical professionals serving in our reserve forces, to

**DELTA REGIONAL AUTHORITY  
PERFORMANCE REPORT  
YEAR ENDED SEPTEMBER 30, 2018**

residents of rural communities that otherwise have little to no access to quality health care. All of these services are provided at no cost to the community and patients. IRT clinics operate for a temporary time frame (i.e. typically 10-14 days) during which patients can receive general medical, dental, and optical care for themselves and their family members, all of which are high demand health care needs in the Delta. No proof of identification, income, residency or insurance is required.

Each mission will provide medical services including, but not limited to, general medical, dental and optical care. Services will be provided on a first-come, first-serve basis with each location providing services that benefit those in the communities that are underserved and in need of medical attention. The expectation is that each mission will provide care to between four and five thousand patients in the region. So far, in nine years of partnership, DRA and DOD are proud to have delivered free medical care to more than 90,000 patients in Delta communities.

DRA hosted two IRT programs in Summer 2018, bringing medical, dental, and optical care to Delta residents that are uninsured or underinsured and in need of quality healthcare at no cost to the patient. A list of events follows:

**Monroeville and Thomasville, Alabama | May 28-June 4, 2018**

- Total Patient Count: 3,548
- Glasses Distributed: 356
- Teeth Extracted: 577
- Estimated Benefit to Community: \$650,000-\$900,000

**Harrisburg, Illinois | June 18-28, 2018**

- Total Patient Count: 1,085
- Glasses Distributed: 453
- Teeth Extracted: 489
- Benefit to Community: \$269,090
  - Medical: \$26,520
  - Dental: \$210,250
  - Optometry: \$30,300
  - Pharmacy: \$2,020

**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, IRT medical missions promote partnerships between federal, state and local agencies to provide no-cost health care services to underserved populations throughout the Delta region.

***Local Foods, Local Places (LFLP)***

First announced in June 2014 during a White House Rural Council meeting in Washington, DC, the Local Foods, Local Places (LFLP) program aims to boost economic opportunities for local farmers and businesses, to improve access to healthy foods, and to revitalize downtowns and traditional neighborhoods by supporting farmers markets, food hubs, community gardens, and community kitchens and improving accessibility of these amenities. The program helps the

**DELTA REGIONAL AUTHORITY  
PERFORMANCE REPORT  
YEAR ENDED SEPTEMBER 30, 2018**

awarded communities improve their livability by promoting economic development, preserving rural lands and increasing access to locally grown food.

Four federal partners jointly fund and support the LFLP program: the U.S. Department of Agriculture (USDA), the U.S. Environmental Protection Agency (EPA), the Centers for Disease Control and Prevention (CDC), and the Delta Regional Authority (DRA). Project plans among the communities receiving LFLP awards include goals to create local food networks, establish regional food innovation centers, and develop job training efforts around local food entrepreneurship.

*2018 LFLP Delta Communities*

- **Helena, Arkansas:** The Helena-West Helena/Philips County Port Authority plans to create a local farmers market and events space in a long-abandoned school bus repair facility acquired by the Port Authority to encourage continued downtown investment.
- **McCroary, Arkansas:** The City of McCroary is addressing barriers to good nutrition and physical activity by connecting and integrating multiple efforts including a new community/school garden; a new “healthy hub” serving as a healthy lifestyle anchor by providing health screenings, nutrition education, prescription assistance, and food pantry; and a potential farmers market and culinary incubator.
- **Duck Hill, Mississippi:** Working with the town of Duck Hill, Action Communication and Education Reform is using green infrastructure to address storm water and flooding problems to enable revitalization efforts, including a 2.5-acre community garden and downtown farmers market.

**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, LFLP supports the region’s farmers and farmers markets, revitalizes Delta communities, and increases access to locally grown foods all of which further enrich the quality of place of Delta communities.

***Healthy Places for Healthy People (HP2)***

As part of the Healthy Places for Healthy People initiative, DRA works with six federal partners – U.S. Health Resources & Services Administration (HRSA), U.S. Department of Agriculture (USDA), U.S. Environmental Protection Agency (EPA), U.S. Department of Transportation (DOT), U.S. Centers for Disease Control and Prevention (CDC), and Appalachian Regional Commission (ARC) – to engage community leaders and healthcare partners to create physically and economically healthy communities through improving access to local healthcare facilities, connecting workforce, economic development, and healthcare professionals to use healthcare as an economic driver, and fostering healthy lifestyles by increasing access to fresh, healthy, and local foods, while supporting local economic revitalization efforts. In 2018, two Delta communities were selected to participate in the HP2 initiative and each received a \$15,000 implementation grant from DRA to support their respective projects.

**DELTA REGIONAL AUTHORITY  
PERFORMANCE REPORT  
YEAR ENDED SEPTEMBER 30, 2018**

*2018 HP2 Delta Communities*

- **Bunkie, LA:** The City of Bunkie, Move Bunkie Forward, and Bunkie General Hospital are using main street revitalization strategies and health improvement initiatives to support economic development efforts and improved human health and leverage recent state investments in the community.
- **Livingston, AL:** The City of Livingston and the University of West Alabama are collaborating to develop health and wellness initiatives in downtown Livingston, increasing availability of wellness opportunities, including natural resource areas and health education, and supporting access to local food alternatives, while increasing interest in downtown revitalization efforts.

**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, HP2 enhances community capacity by providing technical assistance and resources to Delta communities seeking to accelerate their health and wellness initiatives and spur economic and community development.



**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  
and Members of the Board  
Delta Regional Authority  
Clarksdale, Mississippi

In our audit of the fiscal year 2018 financial statements of Delta Regional Authority (the Authority), we found

- the Authority's financial statements as of and for the fiscal year ended September 30, 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 2018 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. 17-03, *Audit Requirements for Federal Financial Statements*, we have audited the Authority's balance sheet as of September 30, 2018; the related statements of net cost, changes in net position, and budgetary resources for the fiscal year 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, 2018, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

### Prior Period Financial Statements

The financial statements of the Authority as of September 30, 2017, were audited by other auditors whose report dated January 2, 2018, expressed an unmodified opinion on those statements.

### 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.

## **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, 2018, 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 2018 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 12, 2018

DELTA REGIONAL AUTHORITY  
BALANCE SHEETS  
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Intragovernmental:		
Fund balance with Treasury	\$ 57,231,491	\$ 47,592,322
Total intragovernmental	57,231,491	47,592,322
Cash	2,415,632	807,869
Accounts receivable, net	312,797	195,707
General property and equipment, net	164,687	219,978
<b>TOTAL ASSETS</b>	<b>\$ 60,124,607</b>	<b>\$ 48,815,876</b>
<b>LIABILITIES</b>		
Intragovernmental:		
Other:		
Employer contributions and payroll taxes payable	\$ 1,827	\$ 2,524
Liability for advances and prepayments	4,120,542	232,065
Total intragovernmental	4,122,369	234,589
Accounts payable	2,630,697	1,286,949
Other:		
Grants and other payables	492,880	480,835
Accrued funded payroll and leave	71,191	68,893
Employer contributions and payroll taxes payable	334	233
<b>TOTAL LIABILITIES</b>	<b>7,317,471</b>	<b>2,071,499</b>
<b>NET POSITION</b>		
Unexpended appropriations - all other funds (consolidated totals)	52,807,136	46,744,351
Cumulative results of operations - all other funds (consolidated totals)	-	26
<b>TOTAL NET POSITION</b>	<b>52,807,136</b>	<b>46,744,377</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 60,124,607</b>	<b>\$ 48,815,876</b>

The accompanying notes are an integral part of these statements.

DELTA REGIONAL AUTHORITY  
 STATEMENTS OF NET COST  
 YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
PROGRAM COSTS		
Council of Inspectors General on Integrity and Efficiency:		
Gross costs	\$ 25,049,217	\$ 21,043,080
Less: earned revenue	<u>1,712,526</u>	<u>-</u>
TOTAL NET PROGRAM COSTS	<u>23,336,691</u>	<u>21,043,080</u>
NET COST OF OPERATIONS	<u>\$ 23,336,691</u>	<u>\$ 21,043,080</u>

The accompanying notes are an integral part of these statements.

DELTA REGIONAL AUTHORITY  
STATEMENTS OF CHANGES IN NET POSITION  
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>UNEXPENDED APPROPRIATIONS</u>		
Beginning balance	\$ 46,744,351	\$ 37,556,987
BUDGETARY FINANCING SOURCES		
Appropriations received	25,000,000	25,000,000
Appropriations used	(20,275,963)	(15,936,220)
OTHER FINANCING SOURCES (USES)		
Cost of operations absorbed by member states and others	2,152,319	1,688,680
Cost of operations absorbed by RCAP	2,235,285	3,552,768
Disbursements of funds provided by member states and others	(773,247)	(1,622,353)
Disbursements of RCAP funds	(2,275,609)	(3,495,511)
TOTAL FINANCING SOURCES (USES)	6,062,785	9,187,364
TOTAL UNEXPENDED APPROPRIATIONS	\$ 52,807,136	\$ 46,744,351
<u>CUMMULATIVE RESULTS OF OPERATIONS</u>		
Beginning balance	\$ 26	\$ (26,536)
BUDGETARY FINANCING SOURCES		
Appropriations used	20,275,963	15,936,221
OTHER FINANCING SOURCES		
Imputed financing from costs absorbed by others	11,846	15,557
Disbursements of RCAP funds	2,275,609	3,495,511
Disbursements of funds provided by member states and others	773,247	1,622,353
TOTAL FINANCING SOURCES	23,336,665	21,069,642
NET COST OF OPERATIONS	23,336,691	21,043,080
NET CHANGE	(26)	26,562
TOTAL CUMULATIVE RESULTS OF OPERATIONS	-	26
NET POSITION	\$ 52,807,136	\$ 46,744,377

The accompanying notes are an integral part of these statements.



DELTA REGIONAL AUTHORITY  
STATEMENTS OF RESOURCES (BUDGETARY AND NON-BUDGETARY)  
YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018				
	Federal	State and Other	Rural Community Assistance Program	Eliminations	Combined
	Budgetary	Non-Budgetary	Non-Budgetary	Non-Budgetary	Budgetary and Non-Budgetary
<b>BUDGETARY RESOURCES</b>					
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 3,524,380	\$ 1,168,063	\$ 37,663	\$ -	\$ 4,730,106
Appropriations (discretionary and mandatory)	25,000,000	-	-	-	25,000,000
Spending authority from offsetting collections (discretionary and mandatory)	5,601,003	2,152,319	2,235,285	-	9,988,607
		-			
<b>TOTAL RESOURCES (BUDGETARY AND NON-BUDGETARY)</b>	<b>\$ 34,125,383</b>	<b>\$ 3,320,382</b>	<b>\$ 2,272,948</b>	<b>\$ -</b>	<b>\$ 39,718,713</b>
<b>STATUS OF BUDGETARY RESOURCES</b>					
New obligations and upward adjustments (total)	\$ 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	132,789	-	-	-	132,789
Unexpired unobligated balance, end of year	5,855,100	-	-	-	5,855,100
Unexpended funds	-	2,547,135	(2,661)	-	2,544,474
Unobligated/Unexpended balance, end of year	5,855,100	2,547,135	(2,661)	-	8,399,574
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 34,125,383</b>	<b>\$ 2,547,135</b>	<b>\$ (2,661)</b>	<b>\$ -</b>	<b>\$ 36,669,857</b>
<b>CHANGE IN OBLIGATED BALANCES (MEMORANDUM (NON-ADD) ENTRIES)</b>					
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, actual	(3,169,354)	-	-	-	(3,169,354)
Unpaid obligated balance, net, end of year					
Undelivered orders	48,528,103	-	-	-	48,528,103
Accounts payable	2,848,288	90,637	195,218	-	3,134,143
<b>TOTAL OBLIGATED BALANCE, NET, END OF YEAR</b>	<b>\$ 51,376,391</b>	<b>\$ 90,637</b>	<b>\$ 195,218</b>	<b>\$ -</b>	<b>\$ 51,662,246</b>
<b>OUTLAYS, NET</b>					
Outlays, net (total) (discretionary and mandatory)	\$ 15,360,831	\$ (1,451,979)	\$ 84,694	\$ -	\$ 13,993,546
Agency outlays, net (discretionary and mandatory)	\$ 15,360,831	\$ (1,451,979)	\$ 84,694	\$ -	\$ 13,993,546

The accompanying notes are an integral part of these statements.

2017

Federal	State and Other	Rural Community Assistance Program	Eliminations	Combined Budgetary and Non-Budgetary
Budgetary	Non-Budgetary	Non-Budgetary	Non-Budgetary	Non-Budgetary
\$ 2,122,740	\$ 1,101,736	\$ (19,594)	\$ -	\$ 3,204,882
25,000,000	-	-	-	25,000,000
-	1,688,680	3,552,768	-	5,241,448
\$ 27,122,740	\$ 2,790,416	\$ 3,533,174	\$ -	\$ 33,446,330
\$ 26,772,985	\$ -	\$ -	\$ -	\$ 26,772,985
355,025	-	-	-	355,025
-	-	-	-	-
355,025	-	-	-	355,025
-	1,168,063	37,663	-	1,205,726
355,025	1,168,063	37,663	-	1,560,751
\$ 27,128,010	\$ 1,168,063	\$ 37,663	\$ -	\$ 28,333,736
\$ 36,180,231	\$ 101,701	\$ 813,703	\$ -	\$ 37,095,635
26,772,985	1,622,353	3,495,511	-	31,890,849
-	-	-	-	-
(15,527,290)	(1,706,324)	(4,069,626)	-	(21,303,240)
(183,360)	-	-	-	(183,360)
45,415,664	-	-	-	45,415,664
1,826,902	17,730	239,588	-	2,084,220
\$ 47,242,566	\$ 17,730	\$ 239,588	\$ -	\$ 47,499,884
\$ 15,527,290	\$ 17,644	\$ 516,858	\$ -	\$ 16,061,792
\$ 15,527,290	\$ 17,644	\$ 516,858	\$ -	\$ 16,061,792

The accompanying notes are an integral part of these statements.

**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 and Accounting

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, 2018 and 2017, 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

**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

DRA and other reporting entities. The statements of changes in net position reflect financing sources available to DRA, the cost of its operations and the net change in its financial position. The statements of resources (budgetary and non-budgetary) report an agency's budgetary activity.

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.

C. 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."

D. Use of Estimates

The preparation of financial statements in conformity with GAAP 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, 2018 AND 2017**

E. 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 United States Department of Department of Agriculture during fiscal years 2018 and 2017 and the Economic Development Authority during fiscal year 2018.

F. Cash

At September 30, 2018 and 2017, cash consisted of deposit accounts with various financial institutions. At September 30, 2018 and 2017, the Authority's cash accounts were fully insured or otherwise collateralized.

G. 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.

H. 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 240 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.

I. 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, 2018 AND 2017**

J. 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.

K. 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 USDA 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>2018</u>	<u>2017</u>
A. Fund Balance with Treasury		
General fund	<u>\$ 57,231,491</u>	<u>\$ 47,592,322</u>
B. Status of Fund Balance with Treasury		
(1) Unobligated Balance		
(a) Available	\$ 5,722,312	\$ 355,025
(b) Unavailable	132,789	-
(2) Obligated Balance not yet Disbursed	<u>51,376,390</u>	<u>47,237,297</u>
Total	<u>\$ 57,231,491</u>	<u>\$ 47,592,322</u>

**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**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, 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 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, 2017, \$26 was due from current employees, \$47,234 was due from USDA for administrative expenses and \$148,447 was due from USDA for subgrantee expenses recorded in the financial statements as program costs. DRA has historically collected any receivables due and thus has not established an allowance for uncollectible accounts.

**NOTE 4 – GENERAL PROPERTY AND EQUIPMENT**

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.

General property and equipment balance consists of vehicles with a total cost of \$243,728, accumulated depreciation of \$23,750 and a net book value of \$219,978 at September 30, 2017. Vehicles are depreciated over a five year estimated useful life. Depreciation expense for the fiscal year ended September 30, 2017 was \$23,750.

**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>2018</u>	<u>2017</u>
Balance of state funds on hand, beginning of year	\$ 236,538	\$ 342,023
Current year billed to and received from states	1,364,305	1,194,444
Total available from states	<u>\$ 1,600,843</u>	<u>\$ 1,536,467</u>
Balance of state funds on hand, end of year	<u>\$ -</u>	<u>\$ 236,538</u>

**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**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) are as follows:

	2018	2017
Liabilities not covered by budgetary resources		
Leave liability (state and other)	\$ 64,502	\$ 63,078
Accounts payable (state and other)	90,637	17,730
Deferred inflows from grants (RCAP)	93,371	62,247
Deferred inflows from grants (state and other)	-	90,000
Grants payable (RCAP)	284,218	328,588
Due to USDA (RCAP)	115,291	-
Total liabilities not covered by budgetary resources	648,019	561,643
Liabilities covered by budgetary resources		
Intragovernmental :		
Employer contributions and payroll taxes payable	1,827	2,524
Liability for advances and prepayments	4,120,542	232,065
Total intragovernmental	4,122,369	234,589
With the public:		
Accounts payable	2,540,060	1,269,219
Accrued funded payroll and leave	6,689	5,815
Employer contributions and payroll taxes payable	334	233
Total with the public	2,547,083	1,275,267
Total liabilities covered by budgetary resources	6,669,452	1,509,856
Total liabilities	\$ 7,317,471	\$ 2,071,499

Other liabilities are classified as current.



**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**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, 2018, were:

Fiscal Year	Amount
2019	\$ 115,613
2020	53,215
Total future lease payments	\$ 168,828

The lease with Coahoma County may be terminated by DRA should DRA fail to receive funding from the United States, the existence of DRA be terminated, or should the governing body of DRA choose to move DRA’s office outside Coahoma County, Mississippi. The lease with the State Services Organization, Inc. may also be terminated for the above reasons. However, DRA will be liable for four months of base rent upon early termination of the State Services Organization, Inc. lease agreement. The DFA lease agreement requires termination through a 180 days’ written notice if funds are insufficient for the DRA to continue operations where office space is being used. Rental expense was \$146,945 and \$134,102 for the years ended September 30, 2018 and 2017, 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:

	2018	2017
Direct - category B Grants	\$ 26,558,424	\$ 23,918,833
Direct - category B Administration	1,711,859	2,854,152
Total obligations	\$ 28,270,283	\$ 26,772,985

**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**NOTE 9 – UNDELIVERED ORDERS AT THE END OF THE PERIOD**

The amount of the DRA’s budgetary resources obligated for undelivered orders was \$48,528,103 and \$45,415,664 as of September 30, 2018 and 2017, respectively.

	Unpaid Undelivered Orders	Paid Underlivered Orders	Total Undelivered Orders
2018	\$ 48,528,103	\$ -	\$ 48,528,103
2017	\$ 45,415,664	\$ -	\$ 45,415,664

**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 \$648,019. There was no decrease in components requiring resources in future periods at September 30, 2018. Liabilities not covered by budgetary resources totaled \$561,643, and the decrease in components requiring resources in future periods totaled \$27,727 at September 30, 2017. 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. Whereas, 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.

**NOTE 11 – COSTS AND EXCHANGE REVENUE**

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

Program Costs	2018	2017
Intragovernmental costs	\$ 184,433	\$ 192,990
Public costs	24,864,784	20,850,090
Total DRA program costs	25,049,217	21,043,080
Intragovernmental earned revenue	1,712,526	-
Public earned revenue	-	-
Total DRA program earned revenue	1,712,526	-
Total DRA program net costs	\$ 23,336,691	\$ 21,043,080

**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**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 \$156,000 and \$123,000 for the years ended September 30, 2018 and 2017, 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, 2018 and 2017 were approximately \$31,750 and \$44,500, respectively, which equaled the required contributions for each year.

**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.

**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**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 2018 actual budgetary execution information is scheduled for publication in February 2019, 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 2017 SBR and the related President’s Budget reflected the following:

FY2017	Budgetary Resources	New Obligations and Upward Adjustments (Total)	Disbributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 27,128,010	\$ 26,772,985	\$ -	\$ 15,527,290
<i>Budget of the U.S. Government</i>	27,000,000	27,000,000	-	15,000,000
	<u>\$ 128,010</u>	<u>\$ (227,015)</u>	<u>\$ -</u>	<u>\$ 527,290</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.

**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 where 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

**DELTA REGIONAL AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

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 financial [proprietary] accounting) is as follows (note: in prior years this information was presented as a separate financial statement [the Statement of Financing]):

	<u>2018</u>	<u>2017</u>
Budgetary resources obligated	\$ 28,270,283	\$ 26,772,984
Spending authority from recoveries and offsetting collections	(8,770,357)	(188,630)
Imputed financing from costs absorbed by others	11,846	15,557
Disbursements of funds provided by member states and others	773,247	1,622,353
Disbursements of RCAP funds	2,275,609	3,495,511
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	776,037	(10,648,131)
Resources that finance the acquisition of assets	26	1,163
Financing sources yet to be provided	-	(27,727)
	<u>                    </u>	<u>                    </u>
Net cost of operations	<u>\$ 23,336,691</u>	<u>\$ 21,043,080</u>

**NOTE 16 – SUBSEQUENT EVENTS**

DRA has evaluated subsequent events occurring after the balance sheet date and through the date of November 12, 2018, 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, 2018

	Federal	State and Other	Rural Community Assistance Program	Eliminations	Combined
<b>ASSETS</b>					
Intragovernmental:					
Fund balance with Treasury	\$ 57,231,491	\$ -	\$ -	\$ -	\$ 57,231,491
Total intragovernmental	<u>57,231,491</u>	<u>-</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
TOTAL ASSETS	<u>\$ 57,231,491</u>	<u>\$ 2,325,657</u>	<u>\$ 567,459</u>	<u>\$ -</u>	<u>\$ 60,124,607</u>
<b>LIABILITIES</b>					
Intragovernmental:					
Other:					
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>-</u>	<u>4,122,369</u>
Interfund transfers	299,377	(376,617)	77,240	-	-
Accounts payable	2,540,060	90,637	-	-	2,630,697
Other:					
Grants and other payables	-	-	492,880	-	492,880
Accrued funded payroll and leave	6,689	64,502	-	-	71,191
Employer contributions and payroll taxes payable	334	-	-	-	334
TOTAL LIABILITIES	<u>6,968,829</u>	<u>(221,478)</u>	<u>570,120</u>	<u>-</u>	<u>7,317,471</u>
<b>NET POSITION</b>					
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>	<u>-</u>
TOTAL NET POSITION	<u>50,262,662</u>	<u>2,547,135</u>	<u>(2,661)</u>	<u>-</u>	<u>52,807,136</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 57,231,491</u>	<u>\$ 2,325,657</u>	<u>\$ 567,459</u>	<u>\$ -</u>	<u>\$ 60,124,607</u>

DELTA REGIONAL AUTHORITY  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2017

	Federal	State and Other	Rural Community Assistance Program	Eliminations	Combined
<b>ASSETS</b>					
Intragovernmental					
Fund balance with Treasury	\$ 47,592,322	\$ -	\$ -	\$ -	\$ 47,592,322
Total intragovernmental	<u>47,592,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,592,322</u>
Cash	-	378,699	429,170	-	807,869
Accounts receivable, net	26	47,234	148,447	-	195,707
General property and equipment, net	-	219,978	-	-	219,978
	<u>-</u>	<u>645,911</u>	<u>577,617</u>	<u>-</u>	<u>1,233,506</u>
<b>TOTAL ASSETS</b>	<u>\$ 47,592,348</u>	<u>\$ 645,911</u>	<u>\$ 577,617</u>	<u>\$ -</u>	<u>\$ 48,815,876</u>
<b>LIABILITIES</b>					
Intragovernmental:					
Other:					
Employer contributions and payroll taxes payable	\$ 2,524	\$ -	\$ -	\$ -	\$ 2,524
Liability for advances and prepayments	232,065	-	-	-	232,065
Total intragovernmental	<u>234,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,589</u>
Interfund transfers	543,841	(692,960)	149,119	-	-
Accounts payable	1,269,219	17,730	-	-	1,286,949
Other:					
Grants and other payables	-	90,000	390,835	-	480,835
Accrued funded payroll and leave	5,815	63,078	-	-	68,893
Employer contributions and payroll taxes payable	233	-	-	-	233
	<u>2,053,697</u>	<u>(522,152)</u>	<u>539,954</u>	<u>-</u>	<u>2,071,499</u>
<b>TOTAL LIABILITIES</b>	<u>2,053,697</u>	<u>(522,152)</u>	<u>539,954</u>	<u>-</u>	<u>2,071,499</u>
<b>NET POSITION</b>					
Unexpended appropriations - all other funds (consolidated totals)	45,538,625	1,168,063	37,663	-	46,744,351
Cumulative results of operations - all other funds (consolidated totals)	<u>26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>
<b>TOTAL NET POSITION</b>	<u>45,538,651</u>	<u>1,168,063</u>	<u>37,663</u>	<u>-</u>	<u>46,744,377</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 47,592,348</u>	<u>\$ 645,911</u>	<u>\$ 577,617</u>	<u>\$ -</u>	<u>\$ 48,815,876</u>

DELTA REGIONAL AUTHORITY  
 COMBINING STATEMENT OF NET COST  
 YEAR ENDED SEPTEMBER 30, 2018

	<u>Federal</u>	<u>State and Other</u>	<u>Rural Community Assistance Program</u>	<u>Eliminations</u>	<u>Combined</u>
<b>PROGRAM COSTS</b>					
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>-</u>	<u>1,712,526</u>
 TOTAL NET PROGRAM COSTS	 <u>20,287,835</u>	 <u>773,247</u>	 <u>2,275,609</u>	 <u>-</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>\$ -</u></u>	 <u><u>\$23,336,691</u></u>



DELTA REGIONAL AUTHORITY  
 COMBINING STATEMENT OF NET COST  
 YEAR ENDED SEPTEMBER 30, 2017

	<u>Federal</u>	<u>State and Other</u>	<u>Rural Community Assistance Program</u>	<u>Eliminations</u>	<u>Combined</u>
<b>PROGRAM COSTS</b>					
Council of Inspectors General on Integrity and Efficiency:					
Gross costs	\$ 15,925,216	\$ 1,622,353	\$ 3,495,511	\$ -	\$ 21,043,080
Less: earned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL NET PROGRAM COSTS	 <u>15,925,216</u>	 <u>1,622,353</u>	 <u>3,495,511</u>	 <u>-</u>	 <u>21,043,080</u>
 NET COST OF OPERATIONS	 <u><u>\$ 15,925,216</u></u>	 <u><u>\$ 1,622,353</u></u>	 <u><u>\$ 3,495,511</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 21,043,080</u></u>

DELTA REGIONAL AUTHORITY  
 COMBINED STATEMENT OF CHANGES IN NET POSITION  
 YEAR ENDED SEPTEMBER 30, 2018

	Federal	State and Other	Rural Community Assistance Program	Eliminations	Combined
<u>UNEXPENDED APPROPRIATIONS</u>					
Beginning balance	\$ 45,538,625	\$ 1,168,063	\$ 37,663	\$ -	\$ 46,744,351
<u>BUDGETARY FINANCING SOURCES</u>					
Appropriations received	25,000,000	-	-	-	25,000,000
Appropriations used	(20,275,963)	-	-	-	(20,275,963)
<u>OTHER FINANCING SOURCES (USES)</u>					
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 FINANCING SOURCES (USES)	4,724,037	1,379,072	(40,324)	-	6,062,785
TOTAL UNEXPENDED APPROPRIATIONS	\$ 50,262,662	\$ 2,547,135	\$ (2,661)	\$ -	\$ 52,807,136
<u>CUMMULATIVE RESULTS OF OPERATIONS</u>					
Beginning balance	\$ 26	\$ -	\$ -	\$ -	\$ 26
<u>BUDGETARY FINANCING SOURCES</u>					
Appropriations used	20,275,963	-	-	-	20,275,963
<u>OTHER FINANCING SOURCES</u>					
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	20,287,835	773,247	2,275,609	-	23,336,691
NET CHANGE	(26)	-	-	-	(26)
TOTAL CUMULATIVE RESULTS OF OPERATIONS	-	-	-	-	-
NET POSITION	\$ 50,262,662	\$ 2,547,135	\$ (2,661)	\$ -	\$ 52,807,136

DELTA REGIONAL AUTHORITY  
 COMBINED STATEMENT OF CHANGES IN NET POSITION  
 YEAR ENDED SEPTEMBER 30, 2017

	Federal	State and Other	Rural Community Assistance Program	Eliminations	Combined
<u>UNEXPENDED APPROPRIATIONS</u>					
Beginning balance	\$ 36,474,845	\$ 1,101,736	\$ (19,594)	\$ -	\$ 37,556,987
<u>BUDGETARY FINANCING SOURCES</u>					
Appropriations received	25,000,000	-	-	-	25,000,000
Appropriations used	(15,936,220)	-	-	-	(15,936,220)
<u>OTHER FINANCING SOURCES (USES)</u>					
Cost of operations absorbed by member states and others	-	1,688,680	-	-	1,688,680
Cost of operations absorbed by RCAP	-	-	3,552,768	-	3,552,768
Disbursements of funds provided by member states and others	-	(1,622,353)	-	-	(1,622,353)
Disbursements of RCAP funds	-	-	(3,495,511)	-	(3,495,511)
TOTAL FINANCING SOURCES (USES)	9,063,780	66,327	57,257	-	9,187,364
TOTAL UNEXPENDED APPROPRIATIONS	\$ 45,538,625	\$ 1,168,063	\$ 37,663	\$ -	\$ 46,744,351
<u>CUMMULATIVE RESULTS OF OPERATIONS</u>					
Beginning balance	\$ (26,536)	\$ -	\$ -	\$ -	\$ (26,536)
<u>BUDGETARY FINANCING SOURCES</u>					
Appropriations used	15,936,221	-	-	-	15,936,221
<u>OTHER FINANCING SOURCES</u>					
Imputed financing from costs absorbed by others	15,557	-	-	-	15,557
Disbursements of RCAP funds	-	-	3,495,511	-	3,495,511
Disbursements of funds provided by member states and others	-	1,622,353	-	-	1,622,353
TOTAL FINANCING SOURCES	15,951,778	1,622,353	3,495,511	-	21,069,642
NET COST OF OPERATIONS	15,925,216	1,622,353	3,495,511	-	21,043,080
NET CHANGE	26,562	-	-	-	26,562
TOTAL CUMULATIVE RESULTS OF OPERATIONS	26	-	-	-	26
NET POSITION	\$ 45,538,651	\$ 1,168,063	\$ 37,663	\$ -	\$ 46,744,377

DELTA REGIONAL AUTHORITY  
 COMBINING RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET  
 YEAR ENDED SEPTEMBER 30, 2018

	Federal	State and Other	Rural Community Assistance Program	Elimination s	Combined
RESOURCES USED TO FINANCE ACTIVITIES					
BUDGETARY RESOURCES OBLIGATED					
Obligations incurred	\$28,270,283	\$ -	\$ -	\$ -	\$28,270,283
Less spending authority from offsetting collections and recoveries	8,770,357	-	-	-	8,770,357
Obligations net of offsetting collections and recoveries	19,499,926	-	-	-	19,499,926
Net obligations	19,499,926	-	-	-	19,499,926
OTHER RESOURCES					
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	-	-	2,275,609	-	2,275,609
NET OTHER RESOURCES USED TO FINANCE ACTIVITIES	11,846	773,247	2,275,609	-	3,060,702
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	(26)	-	-	-	(26)
TOTAL RESOURCES USED TO FINANCE ITEMS NOT PART OF THE NET COST OF OPERATIONS	(776,063)	-	-	-	(776,063)
TOTAL RESOURCES USED TO FINANCE THE NET COST OF OPERATIONS	20,287,835	773,247	2,275,609	-	23,336,691
COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD					
Increase in annual leave liability	-	-	-	-	-
TOTAL COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL REQUIRE OR GENERATE RESOURCES IN THE FUTURE PERIODS	-	-	-	-	-
TOTAL RESOURCES USED TO FINANCE THE NET COST OF OPERATIONS	\$20,287,835	\$ 773,247	\$ 2,275,609	\$ -	\$23,336,691

DELTA REGIONAL AUTHORITY  
 COMBINING RECONCILIATION OF NET COST OF OPERATIONS (PROPRIETARY) TO BUDGET  
 YEAR ENDED SEPTEMBER 30, 2017

	Federal	State and Other	Rural Community Assistance Program	Elimination s	Combined
RESOURCES USED TO FINANCE ACTIVITIES					
BUDGETARY RESOURCES OBLIGATED					
Obligations incurred	\$26,772,985	\$ -	\$ -	\$ -	\$26,772,985
Less spending authority from offsetting collections and recoveries	183,360	-	-	-	183,360
Obligations net of offsetting collections and recoveries	<u>26,589,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,589,625</u>
Net obligations	26,589,625	-	-	-	26,589,625
OTHER RESOURCES					
Imputed financing from costs absorbed by others	15,557	-	-	-	15,557
Disbursements of funds provided by member states and others	-	1,622,353	-	-	1,622,353
Disbursements of RCAP funds	-	-	3,495,511	-	3,495,511
NET OTHER RESOURCES USED TO FINANCE ACTIVITIES	<u>15,557</u>	<u>1,622,353</u>	<u>3,495,511</u>	<u>-</u>	<u>5,133,421</u>
TOTAL RESOURCES USED TO FINANCE ACTIVITIES	26,605,182	1,622,353	3,495,511	-	31,723,046
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	10,653,404	-	-	-	10,653,404
Other	(1,165)	-	-	-	(1,165)
TOTAL RESOURCES USED TO FINANCE ITEMS NOT PART OF THE NET COST OF OPERATIONS	<u>10,652,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,652,239</u>
TOTAL RESOURCES USED TO FINANCE THE NET COST OF OPERATIONS	15,952,943	1,622,353	3,495,511	-	21,070,807
COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD					
Increase in annual leave liability	(27,727)	-	-	-	(27,727)
TOTAL COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIODS	<u>(27,727)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,727)</u>
TOTAL RESOURCES USED TO FINANCE THE NET COST OF OPERATIONS	<u>\$15,925,216</u>	<u>\$ 1,622,353</u>	<u>\$ 3,495,511</u>	<u>\$ -</u>	<u>\$21,043,080</u>

DELTA REGIONAL AUTHORITY  
SCHEDULE OF EXPENDITURES  
YEAR ENDED SEPTEMBER 30, 2018

	Paid From			Total
	Federal	State and Other	Rural Community Assistance Program	
Grants, subsidies and contributions	\$ 18,470,340	\$ -	\$ 2,275,609	\$ 20,745,949
Consulting and other services	400,010	43,416	-	443,426
Employee benefits	265,836	79,216	-	345,052
Personnel services	893,630	345,580	-	1,239,210
Seminars and meetings	-	4,399	-	4,399
Travel and transportation of persons	72,484	33,580	-	106,064
Rent, communications and utilities	144,895	70,311	-	215,206
Supplies and materials	31,310	10,248	-	41,558
Printing and reproduction	4,847	2,804	-	7,651
Office expense	4,483	183,693	-	188,176
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,287,835</b>	<b>\$ 773,247</b>	<b>\$ 2,275,609</b>	<b>\$ 23,336,691</b>

DELTA REGIONAL AUTHORITY  
SCHEDULES OF GRANTS MADE\*  
YEARS ENDED SEPTEMBER 30, 2018, 2017 AND 2016

	2018			2017			2016		
	DRA	Total	Funding	DRA	Total	Funding	DRA	Total	Funding
	Obligated	Project Funds	Priority %	Obligated	Project Funds	Priority %	Obligated	Project Funds	Priority %
A. Basic Public Infrastructure	\$ 8,533,368	\$ 41,447,325	58.5%	\$ 3,818,801	\$ 15,580,377	37.0%	\$ 4,375,155	\$ 98,374,292	42.4%
B. Transportation Infrastructure	2,030,162	18,630,577	13.9%	1,563,060	12,061,015	15.1%	1,658,999	44,428,541	16.1%
C. Business Development	1,755,889	8,351,196	12.0%	2,046,194	16,674,410	19.8%	1,639,757	46,595,849	15.9%
D. Work Development	1,921,076	19,911,775	13.2%	1,969,852	30,175,127	19.1%	1,275,062	4,650,168	12.4%
E. Other	350,000	450,000	2.4%	922,917	2,282,729	8.9%	1,361,512	13,138,568	13.2%
	<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>	<u>\$ 10,310,485</u>	<u>\$ 207,187,418</u>	<u>100.0%</u>

State Allocations	2018			2017			2016		
	DRA	State Allocation	State %	DRA	State Allocation	State %	DRA	State Allocation	State %
	Obligated	State Allocation	State %	Obligated	State Allocation	State %	Obligated	State Allocation	State %
Alabama	\$ 1,529,491	\$ 1,242,514	10.3%	\$ 1,046,252	\$ 1,046,252	10.1%	\$ 1,085,395	\$ 1,085,396	10.5%
Arkansas	2,040,625	1,718,707	14.2%	1,442,110	1,442,110	13.9%	1,522,320	1,522,320	14.7%
Illinois	1,187,302	1,025,970	8.5%	844,671	844,671	8.1%	768,862	838,670	8.1%
Kentucky	1,486,395	1,130,172	9.4%	924,312	924,312	8.9%	918,441	918,441	8.8%
Louisiana	2,655,528	2,439,398	20.2%	2,079,313	2,069,314	19.9%	1,795,360	1,795,360	17.3%
Mississippi	2,712,653	1,869,800	15.5%	1,468,630	1,538,098	14.8%	1,635,176	1,635,177	15.8%
Missouri	1,438,501	1,377,358	11.4%	1,152,368	1,152,368	11.1%	1,147,049	1,147,050	11.1%
Tennessee	1,540,000	1,275,656	10.6%	1,363,168	1,363,168	13.1%	1,437,882	1,437,882	13.9%
	<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>	<u>\$ 10,310,485</u>	<u>\$ 10,380,296</u>	<u>100.0%</u>

\*Grant obligation process for 2018 not completed as of audit report date.  
Obligations may be more than allocated due to deobligation and reobligation of prior years' unused funds.  
Totals may not add due to rounding.

DELTA REGIONAL AUTHORITY  
SCHEDULES OF GRANTS MADE (CONTINUED)\*  
COMMUNITY INFRASTRUCTURE FUND (CIF)  
YEARS ENDED SEPTEMBER 30, 2018, 2017 AND 2016

	2018			2017			2016		
	DRA Obligated	Total Project Funds	Funding Priority %	DRA Obligated	Total Project Funds	Funding Priority %	DRA Obligated	Total Project Funds	Funding Priority %
A. Basic Public Infrastructure	\$ 4,480,890	\$ 30,383,560	68.1%	\$ 7,240,001	\$ 85,797,841	72.5%	\$ 8,520,150	\$ 86,404,125	85.9%
B. Transportation Infrastructure	2,100,000	2,725,000	31.9%	2,450,000	65,396,670	24.5%	1,400,000	3,480,500	14.1%
C. Business Development	-	-	0.0%	300,000	9,610,052	3.0%	-	-	0.0%
D. Work Development	-	-	0.0%	-	-	0.0%	-	-	0.0%
E. Other	-	-	0.0%	-	-	0.0%	-	-	0.0%
	<u>\$ 6,580,890</u>	<u>\$ 33,108,560</u>	<u>100.0%</u>	<u>\$ 9,990,001</u>	<u>\$ 160,804,563</u>	<u>100.0%</u>	<u>\$ 9,920,150</u>	<u>\$ 89,884,625</u>	<u>100.0%</u>

	2018			2017			2016		
	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %
State Allocations									
Alabama	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
Arkansas	1,030,684	1,030,684	15.7%	1,350,000	1,350,000	13.5%	1,355,500	1,355,500	13.7%
Illinois	305,706	305,706	4.6%	515,000	515,000	5.2%	120,150	120,150	1.2%
Kentucky	1,174,500	1,174,500	17.8%	800,000	800,000	8.0%	800,000	800,000	8.1%
Louisiana	1,400,000	1,400,000	21.3%	1,211,901	1,211,901	12.1%	1,364,000	1,364,000	13.7%
Mississippi	820,000	820,000	12.5%	2,963,100	2,963,100	29.7%	5,030,500	5,030,500	50.7%
Missouri	-	-	0.0%	1,600,000	1,600,000	16.0%	1,250,000	1,250,000	12.6%
Tennessee	1,850,000	1,850,000	28.1%	1,550,000	1,550,000	15.5%	-	-	0.0%
	<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>	<u>\$ 9,920,150</u>	<u>\$ 9,920,150</u>	<u>100.0%</u>

\*Grant obligation process for 2018 not completed as of audit report date.