

Delta Regional Authority

Performance and Accountability Report
September 30, 2021

Delta Regional Authority

September 30, 2021

Federal Co-Chairman

Vacant

Alternate Federal Co-Chairman

Vacant

States' Co-Chair

Governor Mike Parson

Alternate States' Co-Chair

Mr. Shad Burner

STATE GOVERNORS, DESIGNEES, AND ALTERNATES

Alabama

Governor Kay Ivey

Mr. Kenneth Boswell (Designee)

Ms. Crystal Talley (Alternate)

Arkansas

Governor Asa Hutchinson

Mr. Clint O'Neal (Designee)

Ateca Foreman (Alternate)

Illinois

Governor J.B. Pritzker

Ms. Brandi Bradley

(Designee & Alternate)

Kentucky

Governor Andy Beshear

Ms. Dennis Keene

(Designee & Alternate)

Louisiana

Governor John Bel Edwards

Ms. Leslie Durham

(Designee & Alternate)

Mississippi

Governor Tate Reeves

Ms. Anne Hall Brashier

(Designee & Alternate)

Missouri

Governor Mike Parson

Mr. Shad Bruner (Designee)

Mr. Robert Knodell

(Alternate)

Tennessee

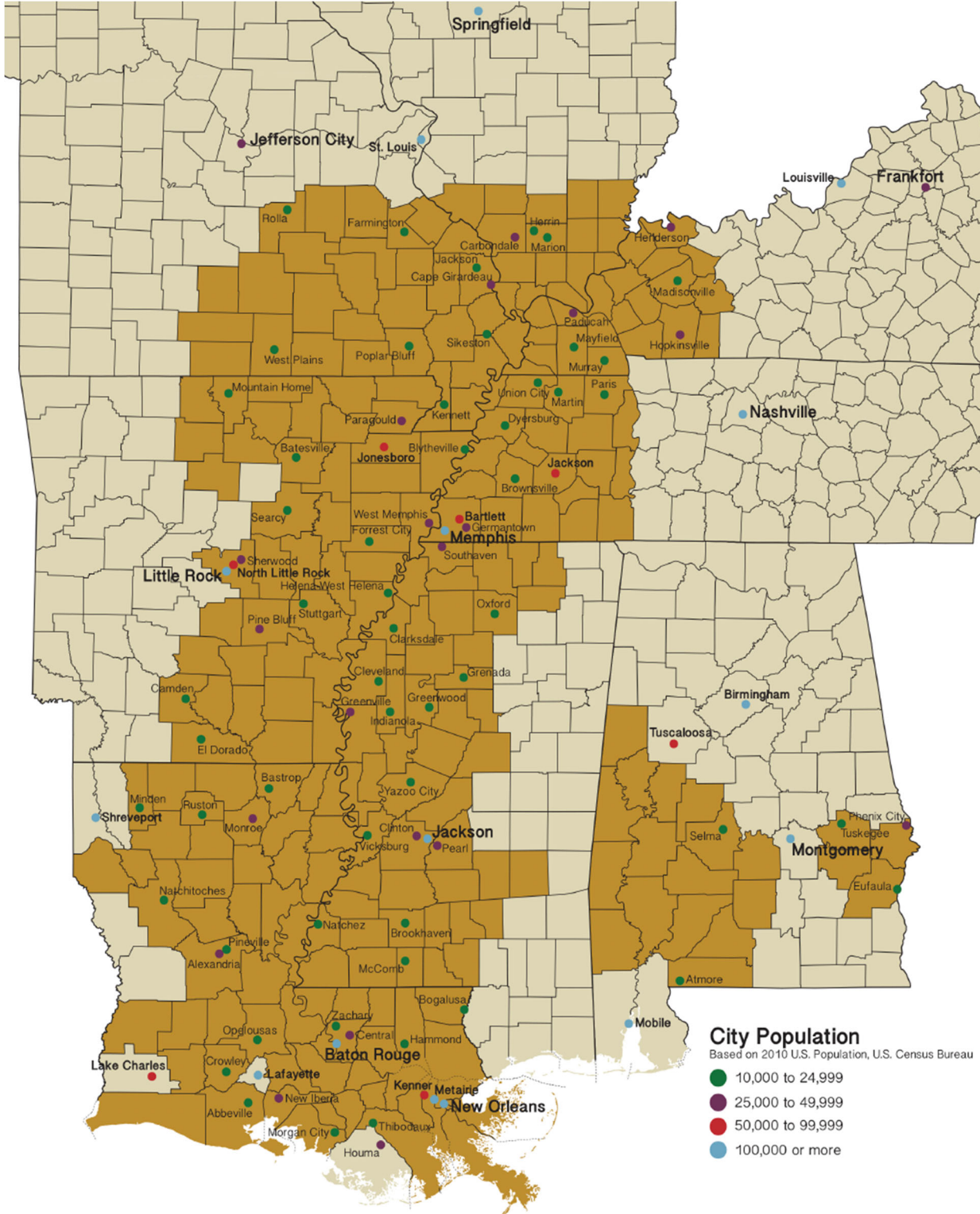
Governor Bill Lee

Ms. Brooxie Carlton

(Designee)

Mr. Brian Kelsey (Alternate)

Delta Regional Authority Service Area



Delta Regional Authority
Performance and Accountability Report
September 30, 2021

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DELTA REGIONAL AUTHORITY

OFFICE OF THE FEDERAL CO-CHAIRMAN

November 15, 2021

Shalanda D. Young, Acting Director
The Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Dear Director Young:

Enclosed you will find the Delta Regional Authority's (DRA) Performance and Accountability Report for Fiscal Year 2021. This report is an accurate and comprehensive account of the Authority's performance for FY 2021 and includes comparative financial statements in FY 2020 and FY 2021.

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

In the absence of a Federal Co-Chairman or Alternate Federal Member, DRA was unable to make grant awards in FY 2021 through its primary funding programs including the States' Economic Development Assistance Program (SEDAP), Community Infrastructure Fund (CIF), and Public Works and Economic Adjustment Assistance (PWEAA). Once a Federal Member is formally nominated by the President and confirmed by the U.S. Senate, DRA will obligate these funds to new projects. Even in the absence of a Federal Member, DRA executed on its mission to deploy regionally impactful programs and initiatives as evidenced in this report.

It is with great pleasure that DRA submits its FY 2021 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,

Kemp Morgan
Interim Chief of Staff
Director of Project Development & Management

REGIONAL HEADQUARTERS:
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PHONE: (662) 624-8600
FAX: (662) 624-8537

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

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Section 2 – Management’s Discussion and Analysis

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

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, 2021. 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 extended by the Agricultural Act of 2018.

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.

Delta Regional Authority

Management’s Discussion and Analysis
Year Ended September 30, 2021

Fiscal Year 2021 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 2021 resulted in 232 distressed counties and parishes and 20 non-distressed counties (see list below).

Non-Distressed List as of September 30, 2021

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

Distressed List as of September 30, 2021

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

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

Distressed List as of September 30, 2021 (continued)

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

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

Organizational Structure

The DRA Board is comprised of Governors from the eight states in the DRA region along with a Federal member, who is appointed by the President as the Federal Co-Chairman and confirmed by the U.S. Senate. The Governors annually appoint a States' Co-Chairman, and in FY 2021, Governor Mike Parson of Missouri was elected to serve as the eleventh States' Co-Chairman. The DRA statute requires the Board to hold an annual quorum meeting, which compels the attendance of a majority of the states' Governors. For all other DRA meetings, Governors may appoint a designee/alternate to serve in their absence.

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

The Federal Co-Chairman maintains an office within the DRA office. At the end of FY 2021, the position of Federal Co-Chairman was vacant, but DRA is expected to have a new Federal Co-Chairman shortly after the current fiscal year end. Additionally, the DRA office employs twelve non-federal employees who carry out the day-to-day operations within the following areas: Finance and Administration; Project Development and Management; Policy Programs and Federal Affairs; and Public Engagement and Communication. The DRA organizational chart can be found on the following page.

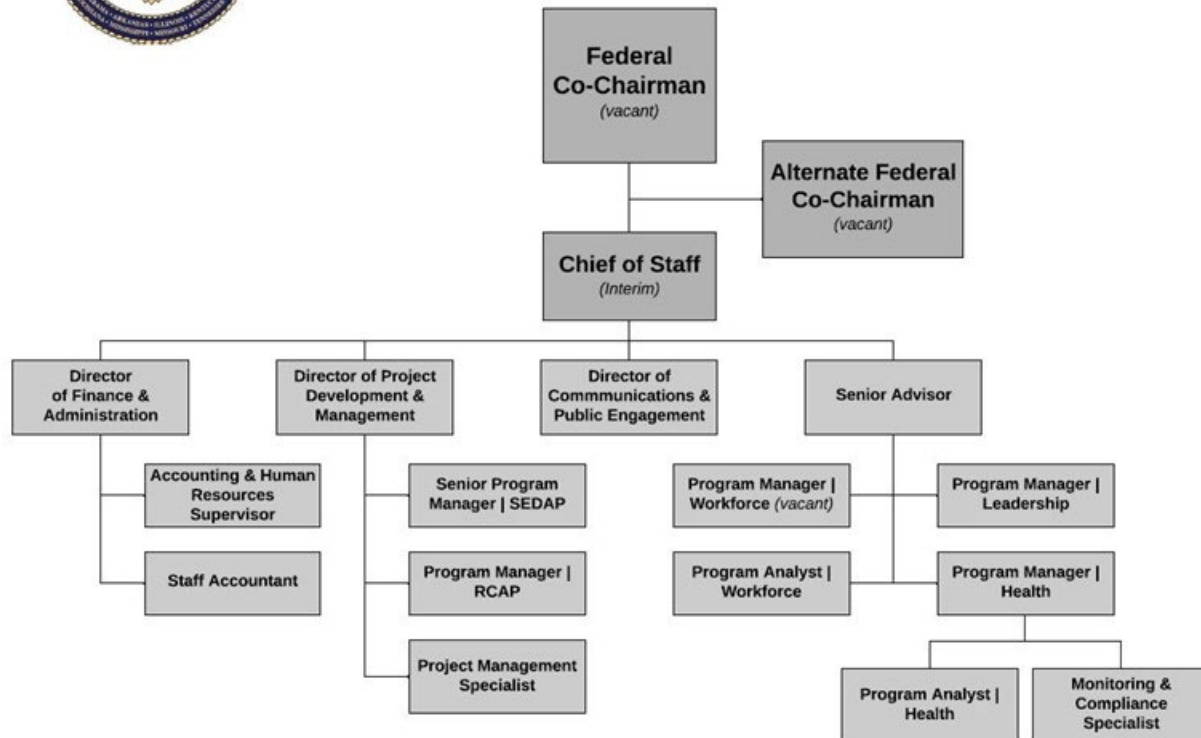
Delta Regional Authority

Management’s Discussion and Analysis
Year Ended September 30, 2021

Organizational Chart



2021 ORGANIZATIONAL CHART
OCTOBER 2021



Management of Delta Regional Authority

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

DRA completed its 18th 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.

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

Financial Highlights

The following is a summary of changes in assets, liabilities, revenues, expenditures and net position at September 30, 2021, as compared to the prior year:

- Total assets increased \$7,207,174 or 10% in 2021 compared to an increase of \$10,262,855 or 16% in 2020;
- Total liabilities decreased \$2,021,867 or 25.4% in 2021 compared to an increase \$674,706 or 9.2% in 2020;
- Total net program costs increased \$535,473 or 2% in 2021 compared to an increase of \$744,326 or 3% in 2020;
- Financing sources of operations increased \$535,473 or 2% in 2021 compared to an increase \$744,326 or 3% in 2020; and
- Net position increased \$9,229,041 or 14% in 2021 compared to an increase of \$9,588,149 or 17% in 2020.

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).

	As of September 30,			
	2021	2020	\$ Change	% Change
Total assets	\$ 82,741,297	\$ 75,534,123	\$ 7,207,174	10%
Total liabilities	5,952,062	7,973,929	(2,021,867)	-25.4%
Total net position	76,789,235	67,560,194	9,229,041	14%
Total liabilities & net position	\$ 82,741,297	\$ 75,534,123	\$ 7,207,174	10%

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

Summary Balance Sheet

As of September 30,

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

The FY 2021 and 2020 increases in total assets were largely attributable to federal appropriations for economic development purposes. Total liabilities decreased in FY 2021 due to normal trade policies during FY 2021. Net position increased in FY 2021 compared to FY 2020. An increase in net position indicates that DRA's financial condition improved in FY 2021.

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

Years Ended September 30,

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Program Costs				
Gross costs	\$ 26,004,985	\$ 24,632,062	\$ 1,372,923	6%
Less: earned revenue	<u>(1,847,957)</u>	<u>(1,010,507)</u>	<u>(837,450)</u>	83%
Total net program costs	<u>\$ 24,157,028</u>	<u>\$ 23,621,555</u>	<u>\$ 535,473</u>	2%

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

Summary Statement of Net Costs Years Ended September 30,

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

The FY 2021 increase in total net program costs is attributable to an increase in earned revenue.

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

	<u>Years Ended September 30,</u>			
	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Unexpended appropriations				
Beginning balance	\$ 67,560,194	\$ 57,972,045	\$ 9,588,149	17%
Change in unexpended appropriations	<u>9,229,041</u>	<u>9,588,149</u>	<u>(359,108)</u>	-4%
Total unexpended appropriations	<u>\$ 76,789,235</u>	<u>\$ 67,560,194</u>	<u>\$ 9,229,041</u>	14%
Cumulative results of operations				
Beginning balance	\$ -	\$ -	\$ -	0%
Net cost of operations	<u>24,157,028</u>	<u>23,621,555</u>	<u>535,473</u>	2%
Net change	-	-	-	0%
Cumulative results of operations	-	-	-	0%
Net position	<u>\$ 76,789,235</u>	<u>\$ 67,560,194</u>	<u>\$ 9,229,041</u>	14%

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

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

The decrease in total financing sources in 2021 is related to a decrease in disbursements of SEDAP funds expended in FY 2021 and FY 2020.

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

Summary Statement of Resources (Budgetary & Non-Budgetary)				
Years Ended September 30,				
	2021	2020	\$ Change	% Change
Resources (budgetary & non-budgetary)	\$ 44,943,042	\$ 49,590,991	\$ (4,647,949)	-9%
Status of budgetary resources	\$ 42,277,811	\$ 46,854,974	\$ (4,577,163)	-10%
Net outlays, end of year	\$ 23,230,341	\$ 19,525,515	\$ 3,704,826	19%
Unpaid obligated balance, net	\$ 44,365,231	\$ 63,944,986	\$ (19,579,755)	-31%

Delta Regional Authority

Management’s Discussion and Analysis
 Year Ended September 30, 2021

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

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

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, 2021**

Audit Opinion: Unmodified
Restatement: No

Material Weakness(es)	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	-	-	-	-	-

Grants Oversight & New Efficiency (GONE) Act

The objective of the Grants Oversight and New Efficiency (GONE) Act is to identify and close out expired grants. The covered grants are those within an agency’s cash payment management system that have been expired for two or more years and have not been closed out. DRA reviewed its close-out population of federal grants and cooperative agreements and found instances where either a grant award or cooperative agreement with the period of performance ending on or prior to September 30, 2019, had not been closed out. Delays in grant and cooperative agreement closeout, and challenges to be addressed pursuant to the GONE Act follow the table below.

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

Summary of Grants Oversight & New Efficiency (GONE) Act As of September 30, 2021

<u>Category</u>	<u>No. of</u>	<u>2-3 Years</u>	<u>No. of</u>	<u>>3-5 Years</u>
Grants and cooperative agreements with undisbursed balances	46	\$3,854,717	51	\$1,834,638

Challenges

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

Changes in the Fund Obligation Process - DRA has obligated funds over the course of four administrations. The first administration obligated with a signed grant agreement; the second administration obligated with a board approved (voted on) project. Typically grant agreements were signed and returned soon after, but there have been occasions where the signed grant agreement took much longer to return. This issue is exacerbated by an extremely small administrative staff with little continuity over DRA's 19 years of existence.

Planned Corrective Actions

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

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

The Anti-Deficiency Act

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

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

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

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

31 USC, Section 1342, Limitation on Voluntary Services

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

31 USC, Section 1517, Prohibited Obligations and Expenditures

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

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

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

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

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

Violations of the Anti-Deficiency Act

Making or authorizing an obligation or expenditure:

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

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

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

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

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

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

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

Reporting a Violation

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

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

The violation report must contain:

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

For the year ended September 30, 2021, 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.

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

- Pay interest automatically when payment is late.
- Report performance based on statistical sampling to the Office of Management and Budget.

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

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

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

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

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

Fraud Reduction and Data Analytics Act (FRDAA) of 2015

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

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

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

Framework of Internal Control Year Ended September 30, 2021

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

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

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

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

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

- The Staff Accountant reviews purchase card holders' statements and matches supporting receipts to billed charges monthly and communicates with cardholders regarding unmatched or suspicious charges. When cardholders deny unmatched or suspicious charges, the Accounting Supervisor refers such charges to the Director of Finance & Administration for review and disposition,

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2021

- The Director of Finance & Administration rejects payments for unknown or suspicious charges and requests the bank to investigate those purchases deemed suspect,
- After an investigation, the bank either provides copies of receipts to prove the employee initiated the charge or issues credit to the cardholder.

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

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

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

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

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

Contacting DRA's Financial Management

This financial report is designed to fulfill the obligations of DRA as it relates to the *Accountability for Tax Dollars Act of 2002*. The report details the financial position of DRA as of September 30, 2021 and 2020, and demonstrates DRA's accountability for all funds and appropriations received.

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

Other Contact/Reports

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

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

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

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

Section 2 – Performance Report

Delta Regional Authority

Performance Report

Year Ended September 30, 2021

Overview

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

Project Development and Management

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

Strategic Programs & Initiatives

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

Project Development and Management

States' Economic Development Assistance Program (SEDAP)

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

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

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

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

Community Infrastructure Fund (CIF)

The Community Infrastructure Fund helps strengthen the economic viability of Delta communities by making investments into projects addressing flood control, basic public infrastructure, and local transportation improvements throughout the Delta region.

In the absence of a Federal Co-Chairman or Alternate Federal Member, DRA was unable to make grant awards in FY 2021 through its primary funding programs including the States' Economic Development

Delta Regional Authority

Performance Report

Year Ended September 30, 2021

Assistance Program (SEDAP), Community Infrastructure Fund (CIF), and Public Works and Economic Adjustment Assistance (PWEAA). Once a Federal Member is formally nominated by the President and confirmed by the U.S. Senate, DRA will obligate these funds to new projects.

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

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

Local Development Districts (LDD) Training/Administration

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

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

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

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

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

Programs and Initiatives

Delta Workforce Program

In 2018 DRA launched the Delta Workforce Program (DWP), an initiative designed to build long-term community capacity and increase economic competitiveness across the Mississippi River Delta region and Alabama Black Belt. DWP encompasses two grant programs including the Workforce Opportunity for Rural Communities (WORC) initiative and the Delta Workforce Grant Program.

Delta Regional Authority

Performance Report

Year Ended September 30, 2021

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

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

Investment priorities include:

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

In FY 2021 DRA invested \$1,687,013 into 13 projects across seven of the eight DRA states, including:

STATE	CITY	ORGANIZATION	AMOUNT
AR	Little Rock	Restore Hope, Inc.	\$94,880
<i>Restore Hope, Inc. will use DRA funding to establish a recovery-to-work program in White County for individuals affected by substance use disorder. The investment is projected to train 16 individuals for high-demand careers in the metal fabrication industry.</i>			
AR	Pine Bluff	Southeast Arkansas College	\$150,000
<i>Southeast Arkansas College will use DRA funding to establish a certificate program in Supply Chain Transportation Technology to prepare program participants for commercial truck licensure. The investment is projected to train 45 individuals for high-demand careers in the transportation and logistics industry.</i>			
KY	Owensboro	Green River Area Development District	\$150,000
<i>The Hire to Operate (H2O) project will use DRA funding to support the Kentucky Rural Water Association's Registered Apprenticeship Program. Apprentices will become certified Water/Wastewater Systems Operation Specialists through Related Technical Instruction and on-the-job training. H2O will elevate the required skills to meet progressing technology standards and create a talent pipeline for local utilities to replenish the qualified pool of operators. The investment is projected to train 10 individuals in Henderson, McLean, Union, and Webster counties.</i>			
KY	Paducah	West Kentucky Community & Technical College	\$106,580
<i>West Kentucky Community & Technical College will use DRA funding to support its LPN-to-RN Accelerated Bridge program. The program will pair an online preparatory course with a simulation lab and mentoring to improve exam pass rates, helping participants to complete the RN program in as little as one year. This ultimately will alleviate a</i>			

Delta Regional Authority

Performance Report

Year Ended September 30, 2021

<i>critical shortage of RNs entering the workforce while also improving employment opportunities, earning potential, and long-term employment. The investment is projected to train up to 45 LPNs with advanced nursing education.</i>			
LA	Baton Rouge	Research Park Corporation	\$150,000
<i>Research Park Corporation will use DRA funding to expand Apprenti Louisiana, a nationally recognized registered apprenticeship program. The expansion will develop apprenticeship programs for 13 new employer partners within 57 parishes to meet the growing demand for tech talent across Louisiana. The investment is projected to train up to 48 individuals.</i>			
LA	New Orleans	University of Holy Cross	\$150,000
<i>The University of Holy Cross, in partnership with Delgado Community College, will use DRA funding to support the growing food service and manufacturing sector by providing scholarship support for culinary professionals working toward an accelerated Bachelor of Science degree in Culinology®. The investment is projected to train at least 10 individuals.</i>			
LA	Thibodeaux	Nicholls State University	\$149,983
<i>Nicholls State University will use DRA funding to provide enhanced training and support activities to a regional workforce aligned with a state, regional, and community economic development strategy as well as leverage partner resources with grant funding to expand training capacity, create a sustainable program, and increase cybersecurity knowledge. The investment is projected to train up to 147 incumbent, displaced, civilian, and redundant workers in cybersecurity/cyber-defense.</i>			
MO	Portageville	Delta Area Economic Opportunity Corporation	\$147,300
<i>The Delta Area Economic Opportunity Corporation will use DRA funding to provide apprenticeships, on-the-job training, and agricultural entrepreneurial opportunities to meet the identified workforce needs of the agribusiness and agriculture-adjacent industries. The investment is projected to train up to 50 individuals throughout six counties in Southeast Missouri.</i>			
MO	West Plains	Missouri State University - West Plains	\$130,000
<i>Missouri State University – West Plains will use DRA funding to purchase needed equipment for advanced workforce training in robotics. The investment is projected to train 50-75 individuals, including dislocated workers, new entrants in the workforce, incumbent workers, and underrepresented groups such as women, veterans, minority groups, and individuals with disabilities.</i>			
MS	Clarksdale	Griot Arts	\$129,060
<i>Griot Arts will use DRA funding to provide a 16-week job training program that will establish an internship-to-job pipeline for local employers. The program will reduce the fiscal burden internships create for employers while preparing the future workforce for sustainable careers. The investment is projected to train up to 35 individuals.</i>			
TN	Decaturville	Rural Health Association of Tennessee	\$150,000

Delta Regional Authority

Performance Report

Year Ended September 30, 2021

<i>The Rural Health Association of Tennessee will use DRA funding to create a “pre-apprenticeship” program for nursing assistants and nursing aids designed to help alleviate the regional nursing shortage. The investment is projected to train up to 500 individuals.</i>			
TN	Jackson	theCO	\$76,800
<i>theCO will use DRA funding to launch the Dev Catalyst Alumni Program, which will support workforce readiness training, develop a portfolio showcase, establish a peer mentorship network, and bridge connections to regional job and internship opportunities in computer science, web development, and data management. The investment is projected to train up to 1,800 individuals.</i>			
TN	Memphis	ProGeny Place	\$102,410
<i>ProGeny Place, in coordination with The GradUS Project, will use DRA funding to enroll domestic violence victims into a newly designed, four-week Food-Based Manufacturing and Distribution industry certification program at Southwest Tennessee Community College. The investment is projected to train 20 individuals.</i>			

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

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

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: Arkansas State University, the University of Louisiana at Monroe, and the University of Arkansas Sam M. Walton School of Business.

The year-long DLI Executive Academy is designed to provide professional leadership development and policy training in the issues most challenging to Delta communities. The Executive Academy held five sessions (virtually and in-person) in FY 2021 that focused on community capacity, policy and governance, workforce competitiveness, and public infrastructure. The Delta Leadership Institute will graduate 24 fellows from its sixteenth class in January 2022 (original event postponed due to COVID-19).

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 600 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, 2021

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

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

Delta Doctors

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

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

In FY 2021, DRA submitted 117 J-1 Visa Waiver recommendations to the U.S. Department of State for physician placement in medically underserved areas/health professional shortage areas throughout the 252 counties and parishes making up the DRA service area.

J-1 Recommendation Summary for Fiscal Year 2021	
State	J-1 Applications Processed
Alabama	28
Arkansas	2
Illinois	15
Kentucky	7
Louisiana	29
Mississippi	15
Missouri	10
Tennessee	11
TOTAL	117

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).

Delta Regional Authority

Performance Report

Year Ended September 30, 2021

Delta Research

Established in 2020, the Delta Research initiative is designed to assess the challenges and opportunities of the region based on available research, demonstrations, investigations, and evaluations in fields related to economic and community development. This initiative spurs regional collaboration to harness institutional knowledge within organizations located and/or working in the DRA region. DRA's research and data collection/assessment is designed to assist policymakers and agency partners better understand the region's challenges so they can make more informed, evidence-based decisions to adequately address them. In FY 2021, DRA commissioned three studies including a Labor Market and Workforce Report, Broadband Mapping Project, and Economic Impact Assessment of the Gulf Intercoastal Waterway.

In January 2021, DRA entered into a cooperative agreement with the Center for Regional Economic Competitiveness (CREC) to develop a labor market and workforce report examining the state of the workforce and workforce development systems in the Delta Region through in-depth quantitative and qualitative analyses.

In March 2021, DRA entered into a cooperative agreement with Geo Partners LLC to survey and establish a baseline of existing broadband access, broadband speeds, and broadband providers throughout the Delta. The Delta Broadband Mapping project uses an innovative crowdsourcing software solution to collect data on internet service providers in the DRA region to identify strategic investment opportunities and leverage existing broadband infrastructure. As of September 2021, DRA has collected approximately 25,000 unique data points throughout the region.

In June 2021, DRA entered into a cooperative agreement with the University of Southern Alabama to conduct the Gulf Intercoastal Waterway Economic Impact Assessment including: 1) a narrative report with strategic recommendations; 2) county-level data sets supporting economic impact modeling; and 3) GIS maps and electronic dashboard for web-based data visualization of results.

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, the Delta Research initiative commissions studies and reports that assess key demographic, economic, social, and quality of life data indicators to provide local leaders with key insights related to economic development trends throughout the region compared with statewide and national figures.

Section 3 – Financial Section

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



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

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

Independent Auditor's Report

State Co-Chair's
Members of the Board Delta Regional Authority
Clarksdale, Mississippi

In our audits of the fiscal years 2021 and 2020 financial statements of Delta Regional Authority (the Authority), we found

- the Authority's financial statements as of and for the fiscal years ended September 30, 2021 and 2020, 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 2021 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. 21-04, *Audit Requirements for Federal Financial Statements*, we have audited the Authority's financial statements. The Authority's financial statements comprise the balance sheets as of September 30, 2021 and 2020; the related statements of net cost, changes in net position, and resources (budgetary and non-budgetary) for the fiscal years then ended; and the related notes to the financial statements.

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

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 audits 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, 2021 and 2020, and its net cost of operations, changes in net position, and resources (budgetary and non-budgetary) for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

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

Other Information

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

Report on Internal Control over Financial Reporting

In connection with our audit of the Authority's 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, 2021, 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 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 audits 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 2021 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to the Authority. Accordingly, we do not express such an opinion.

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

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

Fred T. Neely & Company, PLLC

Fred T. Neely & Company, PLLC
Greenwood, Mississippi
November 15, 2021

Delta Regional Authority
Balance Sheets
September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Intragovernmental:		
Fund balance with Treasury	\$ 77,737,898	\$ 71,300,877
Total intragovernmental	<u>77,737,898</u>	<u>71,300,877</u>
Other than intragovernmental/With the public:		
Cash	4,749,915	3,984,555
Accounts receivable, net	205,678	172,348
General property and equipment, net	47,806	76,343
Total other than intragovernmental/With the public	<u>5,003,399</u>	<u>4,233,246</u>
Total assets	<u>\$ 82,741,297</u>	<u>\$ 75,534,123</u>
Liabilities		
Intragovernmental:		
Employer contributions and payroll taxes payable	\$ -	\$ 2,681
Liability for advances and prepayments	3,798,757	5,512,312
Total intragovernmental	<u>3,798,757</u>	<u>5,514,993</u>
Other than intragovernmental/With the public:		
Accounts payable	1,658,302	1,900,052
Grants and other payables	376,983	429,635
Accrued funded payroll and leave	118,020	129,249
Total other than intragovernmental/With the public	<u>2,153,305</u>	<u>2,458,936</u>
Total liabilities	<u>5,952,062</u>	<u>7,973,929</u>
Net position		
Unexpended appropriations - all other funds (consolidated totals)	76,789,235	67,560,194
Cumulative results of operations - all other funds (consolidated totals)	<u>-</u>	<u>-</u>
Total net position	<u>76,789,235</u>	<u>67,560,194</u>
Total liabilities and net position	<u>\$ 82,741,297</u>	<u>\$ 75,534,123</u>

Delta Regional Authority
 Statements of Net Cost
 Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Program cost		
Council of Inspectors General on Integrity and Efficiency		
Fund balance with Treasury	\$ 26,004,985	\$ 24,632,062
Less: earned revenue	<u>(1,847,957)</u>	<u>(1,010,507)</u>
 Total net program costs	 <u>24,157,028</u>	 <u>23,621,555</u>
 Net cost of operations	 <u><u>\$ 24,157,028</u></u>	 <u><u>\$ 23,621,555</u></u>

Delta Regional Authority
 Statements of Changes in Net Position
 Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Unexpended appropriations		
Beginning balance	\$ 67,560,194	\$ 57,972,045
Appropriations received	30,000,000	30,000,000
Appropriations used	(21,488,645)	(20,877,850)
Other:		
Cost of operations absorbed by member states and others	1,959,877	2,031,792
Cost of operations absorbed by Rural Community Assistance Program (RCAP)	1,423,040	1,170,224
Disbursements of funds provided by member states and others	(1,242,191)	(1,530,745)
Disbursements of Rural Community Assistance Program (RCAP) funds	<u>(1,423,040)</u>	<u>(1,205,272)</u>
Change in unexpended appropriations	<u>9,229,041</u>	<u>9,588,149</u>
Total unexpended appropriations	<u>\$ 76,789,235</u>	<u>\$ 67,560,194</u>
Cumulative results of operations:		
Beginning balance	\$ 67,560,194	\$ -
Appropriations used	21,488,645	20,877,850
Other:		
Imputed financing from costs absorbed by others	3,152	7,688
Disbursements of RCAP funds	1,423,040	1,205,272
Disbursements of funds provided by member states and others	<u>1,242,191</u>	<u>1,530,745</u>
Net cost of operations	24,157,028	23,621,555
Change in cumulative results of operations	<u>-</u>	<u>-</u>
Cumulative results of operations		
Net position	<u>\$ 76,789,235</u>	<u>\$ 67,560,194</u>

Delta Regional Authority
Statement of Resources (Budgetary and Non-Budgetary)
Year Ended September 30, 2021

	<u>Federal</u>	<u>State and Other Non- Budgetary</u>	<u>RCAP Non- Budgetary</u>	<u>Combined Budgetary and Non-Budgetary</u>
Budgetary resources				
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 7,660,892	\$ 3,929,933	\$ (30,700)	\$ 11,560,125
Appropriations (discretionary and mandatory)	30,000,000	-	-	30,000,000
Spending authority from offsetting collections (discretionary and mandatory)	-	1,959,877	1,423,040	3,382,917
Total resources	<u>\$ 37,660,892</u>	<u>\$ 5,889,810</u>	<u>\$ 1,392,340</u>	<u>\$ 44,943,042</u>
Status of budgetary resources				
New obligations and upward adjustments	\$ 4,233,871	\$ -	\$ -	\$ 4,233,871
Unobligated balances/unexpended funds, end of year				
Apportioned, unexpired accounts	34,925,277	-	-	34,925,277
Unapportioned, unexpired accounts	(1,498,256)	-	-	(1,498,256)
Unexpired unobligated balance, end of year	33,427,021	-	-	33,427,021
Unexpended funds	-	4,647,619	(30,700)	4,616,919
Unobligated/Unexpended balance, end of year	<u>33,427,021</u>	<u>4,647,619</u>	<u>(30,700)</u>	<u>38,043,940</u>
Total budgetary resources	<u>\$ 37,660,892</u>	<u>\$ 4,647,619</u>	<u>\$ (30,700)</u>	<u>\$ 42,277,811</u>
Change in obligated balances (memorandum) (non-add) entries				
Unpaid obligated balance, net, beginning of year	\$ 63,774,386	\$ 119,255	\$ 51,345	\$ 63,944,986
New obligations and upward adjustments	4,233,871	1,242,191	1,423,040	6,899,102
Unavailable	134,401	-	-	134,401
Gross outlays	(23,831,782)	(1,307,091)	(1,474,385)	(26,613,258)
Recoveries of prior year unpaid obligations	-	-	-	-
Unpaid obligated balance, net, end of year				
Undelivered orders	42,544,051	-	-	42,544,051
Accounts payable	1,766,825	54,355	-	1,821,180
Total obligated balance, net, end of year	<u>\$ 44,310,876</u>	<u>\$ 54,355</u>	<u>\$ -</u>	<u>\$ 44,365,231</u>
Outlays, net				
Outlays, net (total) (discretionary and mandatory)	<u>\$ 23,831,782</u>	<u>\$ (652,786)</u>	<u>\$ 51,345</u>	<u>\$ 23,230,341</u>
Agency outlays, net (discretionary and mandatory)	<u>\$ 23,831,782</u>	<u>\$ (652,786)</u>	<u>\$ 51,345</u>	<u>\$ 23,230,341</u>

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

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

Note 1 – Summary of Significant Accounting Principles

A. Reporting Entity

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

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

B. Basis of Presentation

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

OMB Circular No. A-136 requires agencies to prepare basic statements, which include a balance sheet, statement of net cost, statement of changes in net position and statement of resources (budgetary and non-budgetary). The balance sheets present, as of September 30, 2021 and 2020, amounts of future economic benefits owned or managed by DRA (assets), amounts owed by DRA (liabilities), and amounts which comprise the difference (net position). The statements of net cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within DRA and other reporting entities. The statements of changes in net position reflect financing sources available to DRA, the cost of its operations and the net change in its financial position. The statements of resources (budgetary and non-budgetary) report an agency's budgetary activity.

C. Basis of Accounting

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

D. Management of Financial Records

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

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

E. Use of Estimates

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

F. Revenues and Other Financing Sources

DRA is a federal/state partnership and receives appropriations. Other financing sources for DRA consist of imputed financing sources which are costs financed by other federal entities on behalf of DRA, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*. DRA also had a reimbursable agreement with the Economic Development Authority (EDA) during fiscal year 2019, 2020 and 2021, and the Department of Labor (DOL) in fiscal year 2020 and 2021.

G. Cash

At September 30, 2021 and 2020, cash consisted of deposit accounts with various financial institutions and all accounts were fully insured or otherwise collateralized.

H. General Property and Equipment

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

I. Compensated Absences

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

J. Net Position

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

K. Net Cost of Operations

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

Delta Regional Authority
 Notes to Financial Statements
 September 30, 2021 and 2020

L. Tax Exempt Status

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

M. Classified Activities

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

Note 2 – Fund Balance with Treasury

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

	<u>2021</u>	<u>2020</u>
Fund balance with Treasury		
General fund	<u>\$ 77,737,898</u>	<u>\$ 71,300,877</u>
Status of fund balance with treasury		
Unobligated balance		
Available	\$ 33,427,022	\$ 7,660,892
Unavailable	-	(134,401)
Obligated balance not yet disbursed	<u>44,310,876</u>	<u>63,774,386</u>
Total	<u>\$ 77,737,898</u>	<u>\$ 71,300,877</u>

Note 3 – Accounts Receivable, Net

Receivables are made up of amounts due from the USDA, which is a major granting agency for DRA, the Rural Community Assistance Program (RCAP), and a \$20,000 balance due from the state of Missouri for an underpayment of their FY 2021 state assessment. At September 30, 2021, \$49,720 was due from USDA for subgrantee expenses recorded in the financial statements as program costs, \$38,667 was due from USDA for administrative expenses; and \$97,291 was due from a parish in Louisiana for a recoup of an RCAP project where the subgrantee did not complete certain requirements to maintain eligibility under this program. This money is subsequently being remitted to the USDA. At September 30, 2020, \$51,345 was due from USDA for subgrantee expenses recorded in the financial statements as program costs; \$23,712 was due from USDA for administrative expenses; and \$97,291 was due from a parish in Louisiana for the project discussed above. DRA has historically collected any receivables due and thus has not established an allowance for uncollectible accounts.

Note 4 – General Property and Equipment, Net

General property and equipment balance consists of a vehicle with a total cost of \$52,895, accumulated depreciation of \$5,089 and a net book value of \$47,806 at September 30, 2021. Vehicles are depreciated over a five-year estimated useful life. Depreciation expense for the fiscal year ended September 30, 2021 was \$46,654. All vehicles purchased in prior years were disposed and one additional vehicle was acquired in July of the current fiscal year.

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

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>2021</u>	<u>2020</u>
Balance of state funds on hand, beginning of year	\$ -	\$ -
Current year billed to and received from states	<u>1,175,741</u>	<u>1,173,913</u>
Total available from states	<u>\$ 1,175,741</u>	<u>\$ 1,173,913</u>
Balance of state funds on hand, end of year	<u>\$ -</u>	<u>\$ -</u>

Note 6 – Liabilities Covered and Not Covered by Budgetary Resources

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

Delta Regional Authority

Notes to Financial Statements

September 30, 2021 and 2020

Liabilities not covered by budgetary resources	2021	2020
Leave liability (state and other)	\$ 118,020	\$ 120,203
Accounts payable (state and other)	54,355	119,255
Deferred inflows from grants (RCAP)	33,424	66,547
Deferred inflows from assessments (state and other)	107,548	125,000
Grants payable (RCAP)	138,720	134,345
Due to USDA (RCAP)	97,291	103,291
Total liabilities not covered by budgetary resources	<u>549,358</u>	<u>668,641</u>
Liabilities covered by budgetary resources	2021	2020
<u>Intragovernmental</u>		
Employer contributions and payroll taxes payable	-	2,681
Liability for advances and prepayments	<u>3,798,757</u>	<u>5,512,312</u>
Total intragovernmental	3,798,757	5,514,993
<u>With the public</u>		
Accounts payable	1,603,947	1,780,797
Accrued funded payroll and leave	-	9,046
Employer contributions and payroll taxes payable	-	452
Total with the public	<u>1,603,947</u>	<u>1,790,295</u>
Total liabilities covered by budgetary resources	<u>5,402,704</u>	<u>7,305,288</u>
Total liabilities	<u>\$ 5,952,062</u>	<u>\$ 7,973,929</u>

Other liabilities are classified as current.

Note 7 – Operating Leases

DRA leases its primary operating facilities, including substantially all furniture and fixtures used, under a three year operating lease arrangement with Coahoma County, Mississippi. DRA also leases space for the Little Rock office and a space for the Washington D.C. office from State Services Organization, Inc. under a six year operating lease arrangement. Future minimum lease payments at September 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 83,451
2023	50,950
2024	52,224
2025	53,529
2026	54,867
2027	13,801
Total	<u>\$ 308,822</u>

Delta Regional Authority

Notes to Financial Statements

September 30, 2021 and 2020

The lease with Coahoma County may be terminated by DRA should DRA fail to receive funding from the United States, the existence of DRA be terminated, or should the governing body of DRA choose to move DRA's office outside Coahoma County, Mississippi. The lease with the State Services Organization, Inc. may also be terminated for the above reasons. However, DRA will be liable for four months of base rent upon early termination of the State Services Organization, Inc. lease agreement. The DFA lease agreement requires termination through a 180 days' written notice if funds are insufficient for the DRA to continue operations where office space is being used. Rental expense was \$141,272 and \$145,179 for the years ended September 30, 2021 and 2020, respectively.

Note 8 – Inter-Entity Costs

DRA recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs relate to employee benefits. DRA recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, Office of Personnel Management. For the periods ended September 30, 2021 and 2020, respectively, inter-entity costs were \$3,152 and \$7,688, respectively.

Note 9 – Apportionment Categories of Obligations Incurred

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

	2021	2020
Direct - category B grants	\$ 2,749,578	\$ 31,271,132
Direct - category B administration	1,295,405	1,096,148
Reimbursed - category B grants	188,888	2,793,780
Reimbursed - category B administration	-	133,789
Total obligations	<u>\$ 4,233,871</u>	<u>\$ 35,294,849</u>

Note 10 – Undelivered Orders at the End of the Period

The amount of the DRA’s budgetary resources obligated for unpaid undelivered orders was \$40,884,508 and \$61,646,781 as of September 30, 2021 and 2020, respectively.

	Undelivered Orders		
	Unpaid	Paid	Total
Intragovernmental			
2021	\$ (2,803)	\$ -	\$ (2,803)
2020	\$ (2,023)	\$ -	\$ (2,023)
With the Public			
2021	\$ 40,887,311	\$ -	\$ 40,887,311
2020	\$ 61,648,804	\$ -	\$ 61,648,804

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

Liabilities not covered by budgetary resources totaled \$577,475 and \$668,641 at September 30, 2021 and 2020, respectively. The changes are the net increase/decrease of future funded expenses for annual leave and represent the difference between appropriations of annual funds for the prior and current annual funds. Accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations. The unfunded leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period. There were no increases/decreases in components requiring resources in future periods on September 30, 2021 and 2020.

Note 12 – Costs and Exchange Revenue

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

	2021	2020
Program Costs		
Intragovernmental costs	\$ 179,804	\$ 243,532
Public costs	25,825,181	24,388,530
Total program costs	26,004,985	24,632,062
Less: intragovernmental earned revenue	1,847,957	1,010,507
Total net program costs	<u>\$ 24,157,028</u>	<u>\$ 23,621,555</u>

Note 13 – Pension Plans

Plan Description

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

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

Funding Policy

Contributions made by the Authority to the 401(k) defined contribution plan amounted to approximately \$170,000 and \$144,000 for the years ended September 30, 2021 and 2020, 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, 2021 and 2020, were approximately \$39,357 and \$29,277, respectively, which equaled the required contributions for each year.

Note 14 – Risk Management

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

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

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the *Budget of the United States Government* (Budget). Budgetary resources made available to DRA include current appropriations, unobligated appropriations and recoveries of prior year obligations. The Budget that will include the FY 2021 actual budgetary execution information is scheduled for publication in February 2022, which will be available through OMB's website (<http://www.whitehouse.gov/omb>). Accordingly, information

Delta Regional Authority
Notes to Financial Statements
September 30, 2021 and 2020

required for such disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2020 SBR and the related President’s Budget reflected the following:

<u>FY2020</u>	<u>Budgetary Resources</u>	<u>New Obligations and Upward Adjustments</u>	<u>Distributed Offsetting Receipts</u>	<u>Net Outlays</u>
Statement of Budgetary Resources	\$ 42,955,741	\$ 35,294,849	\$ -	\$ 20,006,656
<i>Budget of the U.S. Government</i>	<u>43,000,000</u>	<u>36,000,000</u>		<u>21,000,000</u>
	<u>\$ (44,259)</u>	<u>\$ (705,151)</u>	<u>\$ -</u>	<u>\$ (993,344)</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 16 – Net Adjustments To Unobligated Balance, Brought Forward, October 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2021, and 2020, consisted of recoveries of prior year obligations totaling \$0 and \$1,000, respectively.

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

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

Delta Regional Authority
Notes to Financial Statements
September 30, 2021 and 2020

for the present period. Finally, components not requiring or generating resources are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

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

	<u>2021</u>	<u>2020</u>
Budgetary resources obligated	\$ 4,233,871	\$ 35,293,105
Spending authority from recoveries and offsetting collections	-	(1,538,300)
Imputed financing from costs absorbed by others	3,152	7,688
Disbursements of funds provided by member states and others	1,242,191	1,530,745
Disbursements of RCAP funds	1,423,040	1,205,272
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	<u>17,254,774</u>	<u>(12,876,955)</u>
Net cost of operations	<u>\$ 24,157,028</u>	<u>\$ 23,621,555</u>

Note 18 – Subsequent Events

DRA has evaluated subsequent events occurring after the balance sheet date and through the date of November 15, 2021, 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, 2021

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Assets				
Intragovernmental:				
Fund balance with Treasury	\$ 77,737,898	\$ -	\$ -	\$ 77,737,898
Total intragovernmental	<u>77,737,898</u>	<u>-</u>	<u>-</u>	<u>77,737,898</u>
Other than intragovernmental/With the public:				
Cash	-	4,661,167	88,748	4,749,915
Accounts receivable, net	-	20,000	185,678	205,678
General property and equipment, net	-	47,806	-	47,806
Total other than intragovernmental/With the public	<u>-</u>	<u>4,728,973</u>	<u>274,426</u>	<u>5,003,399</u>
Total assets	<u>77,737,898</u>	<u>4,728,973</u>	<u>274,426</u>	<u>82,741,297</u>
Liabilities				
Intragovernmental:				
Employer contributions and payroll taxes payable	-	-	-	-
Liability for advances and prepayments	3,798,757	-	-	3,798,757
Total intragovernmental	<u>3,798,757</u>	<u>-</u>	<u>-</u>	<u>3,798,757</u>
Other than intragovernmental/With the public:				
Interfund transfers	162,878	(198,569)	35,691	-
Accounts payable	1,603,947	54,355	-	1,658,302
Grants and other payables	-	107,548	269,435	376,983
Accrued funded payroll and leave	-	118,020	-	118,020
Total other than intragovernmental/With the public	<u>1,766,825</u>	<u>81,354</u>	<u>305,126</u>	<u>2,153,305</u>
Total liabilities	<u>5,565,582</u>	<u>81,354</u>	<u>305,126</u>	<u>5,952,062</u>
Net position				
Unexpended appropriations - all other funds (consolidated totals)	72,172,316	4,647,619	(30,700)	76,789,235
Cumulative results of operations - all other funds (consolidated totals)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>72,172,316</u>	<u>4,647,619</u>	<u>(30,700)</u>	<u>76,789,235</u>
Total liabilities and net position	<u>\$ 77,737,898</u>	<u>\$ 4,728,973</u>	<u>\$ 274,426</u>	<u>\$ 82,741,297</u>

Delta Regional Authority

Combining Balance Sheet

September 30, 2020

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Assets				
Intragovernmental				
Fund balance with Treasury	\$ 71,300,877	\$ -	\$ -	\$ 71,300,877
Total intragovernmental	<u>71,300,877</u>	<u>-</u>	<u>-</u>	<u>71,300,877</u>
Other than intragovernmental/With the public:				
Cash	-	3,859,708	124,847	3,984,555
Accounts receivable, net	-	-	172,348	172,348
General property and equipment, net	-	76,343	-	76,343
Total other than intragovernmental/With the public	<u>-</u>	<u>3,936,051</u>	<u>297,195</u>	<u>4,233,246</u>
Total assets	<u>71,300,877</u>	<u>3,936,051</u>	<u>297,195</u>	<u>75,534,123</u>
Liabilities				
Intragovernmental				
Employer contributions and payroll taxes payable	\$ 2,681	\$ -	\$ -	\$ 2,681
Liability for advances and prepayments	5,512,312	-	-	5,512,312
Total intragovernmental	<u>5,514,993</u>	<u>-</u>	<u>-</u>	<u>5,514,993</u>
Other than intragovernmental/With the public:				
Interfund transfers	334,628	(358,340)	23,712	-
Accounts payable	1,780,797	119,255	-	1,900,052
Grants and other payables	452	125,000	304,183	429,635
Accrued funded payroll and leave	9,046	120,203	-	129,249
Total other than intragovernmental/With the public	<u>-</u>	<u>6,118</u>	<u>327,895</u>	<u>7,973,929</u>
Total liabilities	<u>7,639,916</u>	<u>6,118</u>	<u>327,895</u>	<u>7,973,929</u>
Net position				
Unexpended appropriations - all other funds (consolidated totals)	63,660,961	3,929,933	(30,700)	67,560,194
Cumulative results of operations - all other funds (consolidated totals)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>63,660,961</u>	<u>3,929,933</u>	<u>(30,700)</u>	<u>67,560,194</u>
Total liabilities and net position	<u>\$ 71,300,877</u>	<u>\$ 3,936,051</u>	<u>\$ 297,195</u>	<u>\$ 75,534,123</u>

Delta Regional Authority
Combining Statement of Net Cost
Year Ended September 30, 2021

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Program cost				
Council of Inspectors General on Integrity and Efficiency				
Gross costs	\$ 23,339,754	\$ 1,242,191	\$ 1,423,040	\$ 26,004,985
Less: earned revenue	<u>(1,847,957)</u>	<u>-</u>	<u>-</u>	<u>(1,847,957)</u>
Total net program cost	<u>21,491,797</u>	<u>1,242,191</u>	<u>1,423,040</u>	<u>24,157,028</u>
Net cost of operations	<u><u>\$ 21,491,797</u></u>	<u><u>\$ 1,242,191</u></u>	<u><u>\$ 1,423,040</u></u>	<u><u>\$ 24,157,028</u></u>

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

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

Delta Regional Authority
Combining Statement of Changes in Net Position
Year Ended September 30, 2021

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Unexpended appropriations				
Beginning balance	\$ 63,660,961	\$ 3,929,933	\$ (30,700)	\$ 67,560,194
Appropriations received	30,000,000	-	-	30,000,000
Appropriations used	(21,488,645)	-	-	(21,488,645)
Other:				
Cost of operations absorbed by member states and others	-	1,959,877	-	1,959,877
Cost of operations absorbed by RCAP	-	-	1,423,040	1,423,040
Disbursements of funds provided by member states and others	-	(1,242,191)	-	(1,242,191)
Disbursements of RCAP funds	-	-	(1,423,040)	(1,423,040)
			-	
Change in unexpended appropriations	<u>8,511,355</u>	<u>717,686</u>	<u>-</u>	<u>9,229,041</u>
Total unexpended appropriations	<u>\$ 72,172,316</u>	<u>\$ 4,647,619</u>	<u>\$ (30,700)</u>	<u>\$ 76,789,235</u>
Cumulative results of operations				
Beginning balance	\$ 63,660,961	\$ 3,929,933	\$ (30,700)	\$ 67,560,194
Appropriations used	21,488,645	-	-	21,488,645
Other:				
Imputed financing from costs absorbed by others	3,152	-	-	3,152
Disbursements of RCAP funds	-	-	1,423,040	1,423,040
Disbursements of funds provided by member states and others	-	1,242,191	-	1,242,191
Net cost of operations	<u>21,491,797</u>	<u>1,242,191</u>	<u>1,423,040</u>	<u>24,157,028</u>
Change in cumulative results of operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative results of operations				
Net position	<u>\$ 72,172,316</u>	<u>\$ 4,647,619</u>	<u>\$ (30,700)</u>	<u>\$ 76,789,235</u>

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

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

Delta Regional Authority
Combining Reconciliation of Net Cost of Operations (Proprietary) to Budget
Year Ended September 30, 2021

	<u>Federal</u>	<u>State and Other</u>	<u>RCAP</u>	<u>Total</u>
Resources used to finance activities				
<u>Budgetary resources obligated</u>				
Obligations incurred	\$ 4,233,871	\$ -	\$ -	\$ 4,233,871
Less: spending authority from offsetting collections and recoveries	-	-	-	-
Obligations net of offsetting collections and recoveries	<u>4,233,871</u>	<u>-</u>	<u>-</u>	<u>4,233,871</u>
Net obligations	4,233,871	-	-	4,233,871
<u>Other resources</u>				
Imputed financing from costs absorbed by others	3,152	-	-	3,152
Disbursements of funds provided by member states and others	-	1,242,191	-	1,242,191
Disbursements of RCAP funds	-	-	1,423,040	1,423,040
Net other resources used to finance activities	<u>3,152</u>	<u>1,242,191</u>	<u>1,423,040</u>	<u>2,668,383</u>
Total resources used to finance activities	4,237,023	1,242,191	1,423,040	6,902,254
Resources used to finance items not part of the net cost of operations				
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	<u>(17,254,774)</u>	<u>-</u>	<u>-</u>	<u>(17,254,774)</u>
Total resources used to finance items not part of the net cost of operations	<u>(17,254,774)</u>	<u>-</u>	<u>-</u>	<u>(17,254,774)</u>
Total resources used to finance net cost of operations	21,491,797	1,242,191	1,423,040	24,157,028
Components of the net cost of operations that will require or generate resources in the future periods				
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	<u>\$ 21,491,797</u>	<u>\$ 1,242,191</u>	<u>\$ 1,423,040</u>	<u>\$ 24,157,028</u>

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

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

Delta Regional Authority
Schedule of Expenditures
Year Ended September 30, 2021

	Paid From			Total
	Federal	State and Other	RCAP	
Grants, subsidies and contributions	\$ 20,183,276	\$ -	\$ 1,423,040	\$ 21,606,316
Consulting and other services	518,514	274,356	-	792,870
Employee benefits	175,856	177,070	-	352,926
Personnel services	447,990	536,775	-	984,765
Travel and transportation of persons	20,854	23,052	-	43,906
Rent, communications and utilities	97,744	54,504	-	152,248
Supplies and materials	34,059	69,235	-	103,294
Printing and reproduction	4,410	4,235	-	8,645
Office expense	9,094	102,964	-	112,058
	<u>\$ 21,491,797</u>	<u>\$ 1,242,191</u>	<u>\$ 1,423,040</u>	<u>\$ 24,157,028</u>

Delta Regional Authority
Schedule of Grants Made*
Years Ended September 30, 2021, 2020 and 2019

	2021			2020			2019		
	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %
Basic public infrastructure	\$ -	\$ -	0.0%	\$ 7,981,735	\$ 100,045,036	50.7%	\$ 6,537,339	\$ 32,502,401	49.7%
Transportation infrastructure	2,406,710	23,169,087	100.0%	2,442,861	98,550,612	15.5%	2,695,060	52,202,733	20.5%
Business development	-	-	0.0%	2,644,661	5,896,998	16.8%	1,552,369	2,890,177	11.8%
Work development	-	-	0.0%	2,550,088	6,664,388	16.2%	1,860,661	9,846,747	14.1%
Other	-	-	0.0%	131,000	131,000	0.8%	517,000	1,575,625	3.9%
	<u>\$ 2,406,710</u>	<u>\$ 23,169,087</u>	<u>100.0%</u>	<u>\$ 15,750,345</u>	<u>\$ 211,288,034</u>	<u>100.0%</u>	<u>\$ 13,162,429</u>	<u>\$ 99,017,683</u>	<u>100.0%</u>

	2021			2020			2019		
	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %
State allocations									
Alabama	\$ -	\$ -	0.0%	\$ 1,544,496	\$ 1,454,239	10.3%	\$ 1,627,615	\$ 1,280,016	10.3%
Arkansas	-	-	0.0%	2,816,649	2,068,162	14.6%	2,266,423	1,825,802	14.7%
Illinois	-	-	0.0%	1,228,976	1,185,209	8.4%	1,057,353	997,776	8.0%
Kentucky	-	-	0.0%	1,358,137	1,316,270	9.3%	1,270,726	1,163,635	9.4%
Louisiana	-	-	0.0%	3,349,352	2,805,549	19.8%	2,565,003	2,465,089	19.9%
Mississippi	-	-	0.0%	671,389	2,183,838	15.4%	1,187,201	1,930,012	15.6%
Missouri	2,406,710	-	100.0%	2,684,961	1,611,112	11.4%	2,033,641	1,419,708	11.5%
Tennessee	-	-	0.0%	2,096,385	1,545,621	10.9%	1,154,467	1,313,069	10.6%
	<u>\$ 2,406,710</u>	<u>\$ -</u>	<u>100.0%</u>	<u>\$ 15,750,345</u>	<u>\$ 14,170,000</u>	<u>100.0%</u>	<u>\$ 13,162,429</u>	<u>\$ 12,395,107</u>	<u>100.0%</u>

*The Delta Regional Authority (DRA) consists of a federal member and the Governors of the eight-states in the region. No approval for new grants can be made without a federal member. DRA has been without a federal member since January 20, 2021. Fiscal Year 2021 grant funding will be obligated to new projects soon after a presidential appointee is nominated and/or confirmed by the U.S. Senate.

Obligations may be more than allocated due to deobligation and reobligation of prior years' unused funds.

Delta Regional Authority
Schedule of Grants Made*
Community Infrastructure Fund (CIF)
Years Ended September 30, 2021, 2020 and 2019

	2021			2020			2019		
	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %
Basic public infrastructure	\$ -	\$ -	0.0%	\$ 8,053,311	\$ 34,831,060	65.8%	\$ 4,883,584	\$ 22,349,683	84.5%
Transportation infrastructure	-	-	0.0%	4,047,383	273,456,007	33.1%	895,900	1,410,900	15.5%
Business development	-	-	0.0%	-	-	0.0%	-	-	0.0%
Work development	-	-	0.0%	-	-	0.0%	-	-	0.0%
Other	-	-	0.0%	136,405	167,405	1.1%	-	-	0.0%
	<u>\$ -</u>	<u>\$ -</u>	<u>0.0%</u>	<u>\$ 12,237,099</u>	<u>\$ 308,454,472</u>	<u>100.0%</u>	<u>\$ 5,779,484</u>	<u>\$ 23,760,583</u>	<u>100.0%</u>

	2021			2020			2019		
	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %
State allocations	\$ -	\$ -	0.0%	\$ 732,249	\$ 732,249	6.0%	\$ 707,390	\$ 707,390	12.2%
Alabama	-	-	0.0%	2,509,000	2,509,000	20.5%	445,900	445,900	7.7%
Arkansas	-	-	0.0%	457,253	457,253	3.7%	340,621	340,621	5.9%
Illinois	-	-	0.0%	3,397,133	3,397,133	27.8%	1,195,102	1,195,102	20.7%
Kentucky	-	-	0.0%	1,324,739	1,324,739	10.8%	1,608,884	1,608,884	27.8%
Louisiana	-	-	0.0%	2,297,725	2,297,725	18.8%	1,481,587	1,481,587	25.6%
Mississippi	-	-	0.0%	-	-	0.0%	-	-	0.0%
Missouri	-	-	0.0%	1,519,000	1,519,000	12.4%	-	-	0.0%
Tennessee	-	-	0.0%	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>0.0%</u>	<u>\$ 12,237,099</u>	<u>\$ 12,237,099</u>	<u>100.0%</u>	<u>\$ 5,779,484</u>	<u>\$ 5,779,484</u>	<u>100.0%</u>

*The Delta Regional Authority (DRA) consists of a federal member and the Governors of the eight-states in the region. No approval for new grants can be made without a federal member. DRA has been without a federal member since January 20, 2021. Fiscal Year 2021 grant funding will be obligated to new projects soon after a presidential appointee is nominated and/or confirmed by the U.S. Senate.