

Delta Regional Authority

Performance and Accountability Report
September 30, 2022

Delta Regional Authority

Listing of Officials

As of September 30, 2022

Federal Co-Chairman

Dr. Corey Wiggins

States' Co-Chair

Governor Kay Ivey

Alternate Federal Co-Chairman

Vacant

State Governors, Designees and Alternates

Alabama

Governor Kay Ivey

Mr. Kenneth Boswell (Designee)

Ms. Crystal Talley (Alternate)

Louisiana

Governor John Bel Edwards

Mr. Rodrick Scott

(Designee & Alternate)

Arkansas

Governor Asa Hutchinson

Mr. Clint O'Neal (Designee)

Ms. Ateca Foreman (Alternate)

Mississippi

Governor Tate Reeves

Ms. Anne Hall Brashier (Designee)

Illinois

Governor J.B. Pritzker

Ms. Brandi Bradley (Designee)

Ms. Lynne Chambers (Alternate)

Missouri

Governor Mike Parson

Mr. Shad Burner (Designee)

Mr. Robert Knodell (Alternate)

Kentucky

Governor Andy Beshear

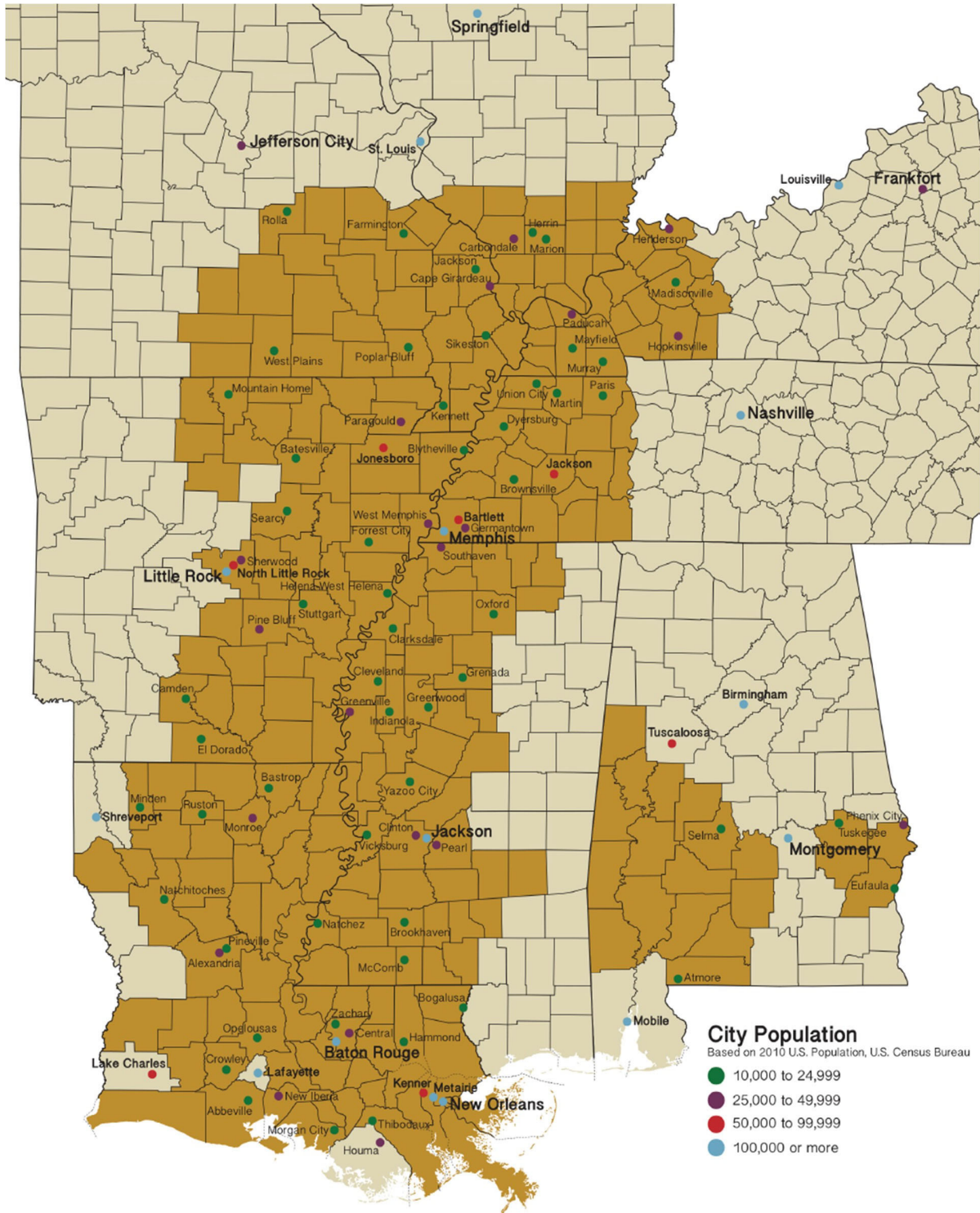
Mr. Dennis Keene (Designee)

Tennessee

Governor Bill Lee

Ms. Brooxie Carlton (Designee)

Delta Regional Authority Service Area



Delta Regional Authority
Performance and Accountability Report
September 30, 2022

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November 15, 2022

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 or the Authority) Performance and Accountability Report for fiscal year 2022. The Delta Regional Authority (DRA) is an executive agency of the U.S. Government, established in 2000 by Congress, to make strategic physical and human infrastructure investments throughout its eight-state region. Through financial assistance awards, DRA helps to improve transportation and basic public infrastructure and to strengthen distressed communities' workforce development systems, local business environments, support job creation and economic development.

This report is an accurate and comprehensive account of the Authority's performance for fiscal year 2022 and includes comparative financial statements in FY 2021 and FY 2022. DRA continues to be in full compliance with The Accountability for Tax Dollars Act of 2002 and under the current administration, DRA maintains its long-term commitment to setting and sustaining the highest standards in financial integrity and compliance. The report by the auditors of Fred T. Neely & Company, PLLC contains an unmodified opinion on the financial statements in this document and DRA continues to meet each new challenge and expectation presented by the U.S. Congress.

Due to FY2022 being the beginning of a transition year with the confirmation of the new Federal Co-Chair, Dr. Corey Wiggins, in March 2022, the Performance and Accountability Report for fiscal year 2022 continues to be aligned with the performance goals and targets outlined in the Regional Development Plan III. Since his confirmation as Federal Co-Chair, Dr. Corey Wiggins has been intentional about his engagement of all communities within the eight-state region, about the challenges these communities are facing and sharing with those communities the mission and purposes of the DRA. Dr. Wiggins has established the core goals to ensure DRA's fulfillment of these purposes:

- (1) Equitable community engagement
- (2) Increasing community capacity to receive federal support
- (3) Efficiently and expeditiously reinvesting taxpayer dollars in the communities we serve
- (4) Establishment of a sustainable organization for continued support to rural communities

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

Regional Headquarters: 236 Sharkey Avenue, Suite 400 | Clarksdale, MS 38614 | T 662.624.8600 | F 662 .624.8537

Washington, DC Office: 444 North Capitol, NW, Suite 292 | Washington, DC 20001 | T 202.434.4870 | F 202.434.4871



With the delayed confirmation of the Federal Co-Chairman, former Alternate Federal Member, Leslie Durham approved in cooperation with the State members, grant awards in FY 2022 for FY 2021 funding 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). After his confirmation by the U.S. Senate, Dr. Wiggins and the DRA Board have worked diligently to deploy statutory appropriations as well as Bipartisan Infrastructure Law/Infrastructure Investment and Jobs Act funds in support of regionally impactful programs and initiatives as evidenced in this report.

The data collected and included in this report to measure performance uses a standardized methodology. The data has been compiled to provide the most complete and accurate results available. DRA has begun to utilize the following metrics to track the success of all of its programs: jobs created; jobs retained; families affected (by improved infrastructure investment); and people trained. The Authority tracks the accrual of these benefits to disadvantaged communities on the county/parish level via grantee reporting. For some projects, the Authority tracks these benefits on more granular geographic levels, such as the local jurisdiction.

DRA will continue to grow as an agency and invest its resources in projects, programs, and initiatives that help provide Delta Region residents with the necessary infrastructure, job training, and business development resources to assist job creation, build communities, and improve lives.

Respectfully submitted,

Dr. Corey Wiggins
Federal Co-Chair

**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, 2022

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, 2022. 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 the 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 was 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.

Fiscal Year 2022 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 2022 resulted in 230 distressed counties and parishes and 22 non-distressed counties (see list below).

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

Non-Distressed List as of September 30, 2022

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

Distressed List as of September 30, 2022

Alabama	Dallas	Monroe	Louisiana	Iberville	St. Helena
Barbour	Escambia	Perry	Acadia	Jackson	St. James
Bullock	Greene	Pickens	Allen	Jefferson Davis	St. John the Baptist
Butler	Hale	Russell	Assumption	La Salle	St. Landry
Choctaw	Lowndes	Sumter	Avoyelles	Lincoln	St. Martin
Clarke	Macon	Washington	Beauregard	Livingston	St. Mary
Conecuh	Marengo	Wilcox	Bienville	Madison	Tangipahoa
			Caldwell	Franklin	Tensas
Arkansas	Grant	Phillips	Catahoula	Grant	Union
Ashley	Greene	Poinsett	Claiborne	Morehouse	Vermillion
Baxter	Independence	Prairie	Concordia	Natchitoches	Washington
Bradley	Izard	Randolph	De Soto	Orleans	Webster
Calhoun	Jackson	Searcy	East Carroll	Ouachita	West Carroll
Chicot	Jefferson	Sharp	East Feliciana	Red River	West Feliciana
Clay	Lawrence	St. Francis	Evangeline	Richland	Winn
Cleveland	Lee	Stone	Iberia	St. Bernard	
Craighead	Lincoln	Van Buren			
Crittenden	Lonoke	White	Illinois		
Cross	Marion	Woodruff	Alexander	Jackson	Pulaski
Dallas	Mississippi		Franklin	Johnson	Randolph
Drew	Monroe		Gallatin	Massac	Saline
Fulton	Ouachita		Hamilton	Perry	White
			Hardin	Pope	Union

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

Distressed List as of September 30, 2022 (continued)

Kentucky	Henderson	Todd	Mississippi	Humphreys	Sharkey
Ballard	Hickman	Trigg	Adams	Issaquena	Simpson
Caldwell	Hopkins	Union	Amite	Jasper	Smith
Calloway	Livingston	Webster	Attala	Jefferson	Sunflower
Christian	Lyon		Benton	Jefferson Davis	Tallahatchie
Crittenden	McLean		Bolivar	Lafayette	Tate
Fulton	Marshall		Carroll	Lawrence	Tippah
Graves	Muhlenberg		Claiborne	Leflore	Tunica
			Coahoma	Lincoln	Union
Missouri	Madison	Scott	Copiah	Marion	Walthall
Bollinger	Mississippi	Shannon	Covington	Marshall	Warren
Butler	New Madrid	Ste. Genevieve	DeSoto	Montgomery	Washington
Carter	Oregon	St. Francois	Franklin	Panola	Wilkinson
Crawford	Ozark	Stoddard	Grenada	Pike	Yalobusha
Dent	Pemiscot	Texas	Hinds	Quitman	Yazoo
Douglas	Perry	Washington	Holmes		
Dunklin	Phelps	Wayne			
Howell	Reynolds	Wright	Tennessee	Gibson	Lauderdale
Iron	Ripley		Benton	Hardeman	Madison
			Carroll	Hardin	McNairy
			Chester	Haywood	Obion
			Crockett	Henderson	Tipton
			Decatur	Henry	Weakley
			Dyer	Lake	

Organizational Structure

The DRA Board is comprised of Governors from the eight states in the DRA region along with the Federal member, or Federal Co-Chairman, who is appointed by the President and confirmed by the U.S. Senate. The Governors annually appoint a States' Co-Chairman, and in FY 2022, Governor Kay Ivey of Alabama was elected to serve as the thirteenth States' Co-Chairman. DRA statute requires the Board to hold an annual quorum meeting, which mandates 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 Federal member and Governors, jointly referred to as "the Authority" establish a formal framework for joint Federal-State collaboration in meeting and focusing national attention on the economic development needs of the region.

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

Pursuant to 7 U S C § 2009aa-1. (d) The Authority shall-

- (1) develop, on a continuing basis, comprehensive and coordinated plans and programs to establish priorities and approve grants for the economic development of the region, giving due consideration to other federal, state, and local planning and development activities in the region;
- (2) not later than 220 days after December 21, 2000, establish priorities in a development plan for the region (including 5-year regional outcome targets);
- (3) assess the needs and assets of the region based on available research, demonstrations, investigations, assessments, and evaluations of the region prepared by federal, state, and local agencies, universities, local development districts, and other nonprofit groups;
- (4) formulate and recommend to the Governors and legislatures of States that participate in the Authority forms of interstate cooperation;
- (5) work with state and local agencies in developing appropriate model legislation;
- (6) (A) enhance the capacity of, and provide support for, local development districts in the region; or (B) if no local development district exists in an area in a participating state in the region, foster the creation of a local development district;
- (7) encourage private investment in industrial, commercial, and other economic development projects in the region; and
- (8) cooperate with and assist State governments with economic development programs of participating States.

The Delta Regional Authority maintains two office locations:

Main Office:
236 Sharkey Ave
Clarksdale, MS

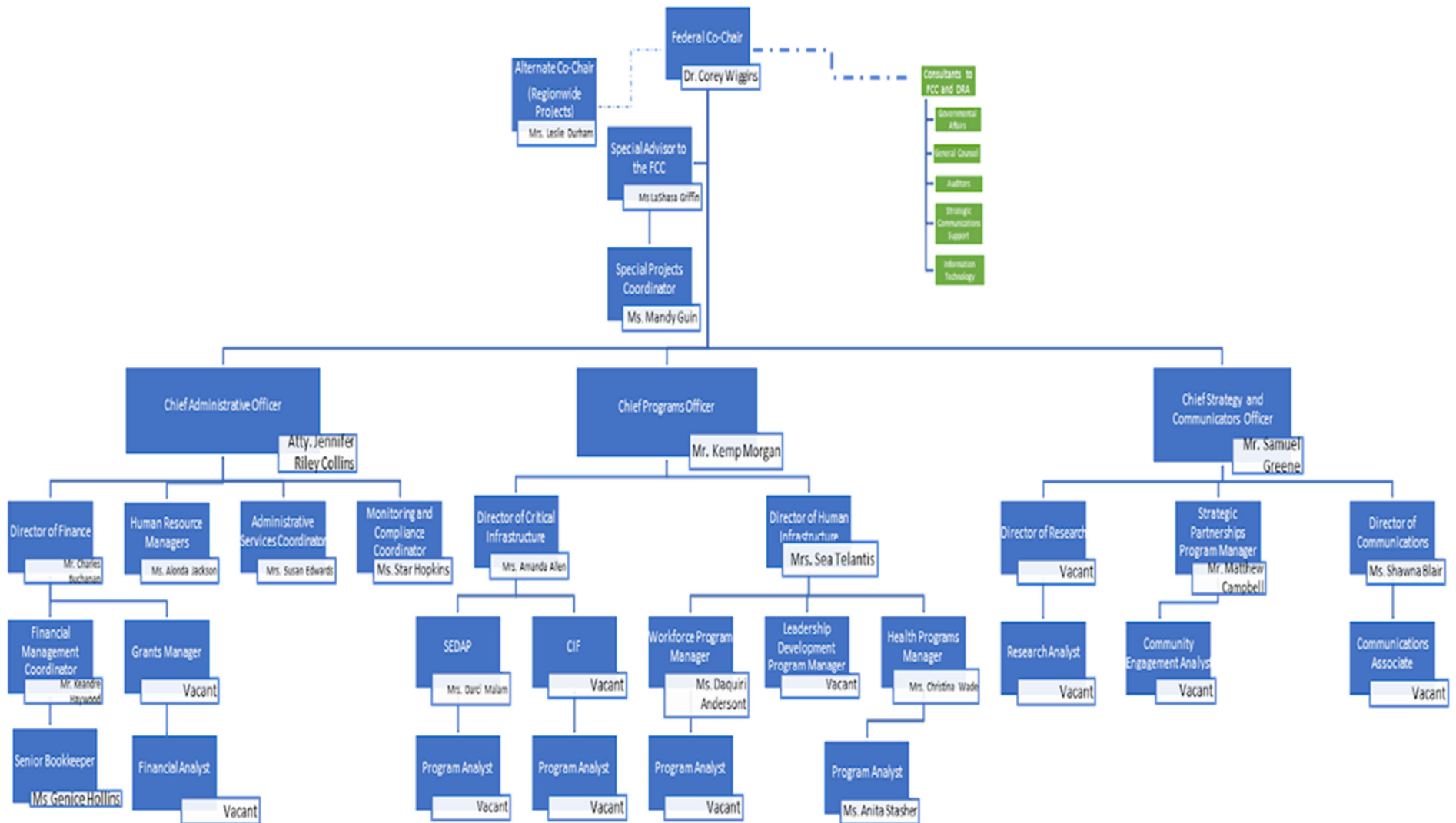
DC Office:
Hall of States Building, 400 Capitol, NW
Suite 292
Washington, DC

DRA maintains two federal employee positions, the Federal Co-Chairman, and the Alternate Federal Co-Chairperson (currently vacant). For continuity of operations, DRA is structured to employ 30 non-federal employees who administer the purposes of the agency. We currently have 11 vacant positions as of the publication of this report on November 15, 2022.

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

Organizational Chart



Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

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 19th year of compliance with the *Accountability of Tax Dollars Act of 2002*. DRA has consistently initiated additional controls and expanded compliance testing to ensure the financial integrity of the Authority.

Financial Highlights

The following is a summary of changes in assets, liabilities, revenues, expenditures and net position at September 30, 2022, as compared to the prior year:

- Total assets increased \$162,101,489 or 196% in 2022 compared to an increase of \$7,207,174 or 10% in 2021;
- Total liabilities decreased \$726,453 or 12.2% in 2022 compared to a decrease of \$2,021,867 or 25.4% in 2021.
- Total net program costs decreased \$2,710,920 or 11% in 2022 compared to an increase of \$535,473 or 2% in 2021;
- Financing sources of operations decreased \$2,710,920 or 11% in 2022 compared to an increase of \$535,473 or 2% in 2021; and
- Net position increased \$162,827,942 or 212% in 2022 compared to an increase of \$9,229,041 or 14% in 2021.

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.

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

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).

	Summary Balance Sheet As of September 30,			
	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Total assets	\$ 244,842,786	\$ 82,741,297	\$162,101,489	196%
Total liabilities	5,225,609	5,952,062	(726,453)	-12.2%
Total net position	<u>239,617,177</u>	<u>76,789,235</u>	<u>162,827,942</u>	212%
Total liabilities & net position	<u>\$ 244,842,786</u>	<u>\$ 82,741,297</u>	<u>\$162,101,489</u>	196%

	Summary Balance Sheet As of September 30,			
	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
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	<u>76,789,235</u>	<u>67,560,194</u>	<u>9,229,041</u>	14%
Total liabilities & net position	<u>\$ 82,741,297</u>	<u>\$ 75,534,123</u>	<u>\$ 7,207,174</u>	10%

The FY 2022 and 2021 increases in total assets were largely attributable to federal appropriations for economic development purposes along with the funds from the Bipartisan Infrastructure Law (BIL). Total liabilities decreased in FY 2022 due to normal trade policies during FY 2022. Net position increased in FY 2022 compared to FY 2021. An increase in net position indicates that DRA's financial condition improved in FY 2022 along with the BIL funds.

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.

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

Summary Statement of Net Costs Years Ended September 30,

	2022	2021	\$ Change	% Change
Program Costs				
Gross costs	\$ 21,813,570	\$ 26,004,985	\$ (4,191,415)	-16%
Less: earned revenue	(367,462)	(1,847,957)	1,480,495	-80%
Total net program costs	\$ 21,446,108	\$ 24,157,028	\$ (2,710,920)	-11%

Summary Statement of Net Costs Years Ended September 30,

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

The FY 2022 decrease in total net program costs is attributable to a decrease in SEDAP project disbursements and decrease 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.

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

	2022	2021	\$ Change	% Change
Unexpended appropriations				
Beginning balance	\$ 76,789,235	\$ 67,560,194	\$ 9,229,041	14%
Change in unexpended appropriations	162,827,942	9,229,041	153,598,901	1664%
Total unexpended appropriations	239,617,177	76,789,235	162,827,942	212%
Cumulative results of operations				
Beginning balance	-	-	-	0%
Change in cumulative results of operations	-	-	-	0%
Total cumulative results of operations	-	-	-	0%
Net position	\$ 239,617,177	\$ 76,789,235	\$ 162,827,942	212%

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

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

	2021	2020	\$ Change	% Change
Unexpended appropriations				
Beginning balance	\$ 67,560,194	\$ 57,972,045	\$ 9,588,149	17%
Change in unexpended appropriations	9,229,041	9,588,149	(359,108)	-4%
Total unexpended appropriations	76,789,235	67,560,194	9,229,041	14%
Cumulative results of operations				
Beginning balance	-	-	-	0%
Change in cumulative results of operations	-	-	-	0%
Total cumulative results of operations	-	-	-	0%
Net position	\$ 76,789,235	\$ 67,560,194	\$ 9,229,041	14%

The increase in net position is attributable to the receipt of BIL funds mid-year that were not expended.

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. +

Budgetary & Non-Budgetary)

Years Ended September 30,

	2022	2021	\$ Change	% Change
Resources (budgetary & non-budgetary)	\$ 222,269,250	\$ 44,943,042	\$ 177,326,208	395%
Status of budgetary resources	\$ 218,134,568	\$ 42,277,811	\$ 175,856,757	416%
Net outlays, end of year	\$ 18,249,339	\$ 22,961,539	\$ (4,712,200)	-21%
Unpaid obligated balance, net	\$ 90,997,681	\$ 44,365,231	\$ 46,632,450	105%

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	\$ 22,961,539	\$ 19,525,515	\$ 3,436,024	18%
Unpaid obligated balance, net	\$ 44,365,231	\$ 63,944,986	\$ (19,579,755)	-31%

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

Delta Regional Authority

Management’s Discussion and Analysis
Year Ended September 30, 2022

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 (OMB), 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, 2022

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, 2018, had not been closed out. Delays in grant and cooperative agreement closeout, and challenges to be addressed pursuant to the GONE Act follow the table below.

Summary of Grants Oversight & New Efficiency (GONE) Act As of September 30, 2022

<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	21	\$6,981,373	6	\$1,567,507

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

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 board members on the risks associated with certain projects and how to identify projects that are capable of moving faster. Lastly, the demographics of the Delta region must be taken into consideration and the inherent challenges that exist here. Some leeway must be given to these communities that struggle to obtain federal funds.

The Anti-Deficiency Act

Public Law 31 USC § 1341, Limitations on Expending and Obligating Amounts, 31 USC § 1342, Limitation on Voluntary Services, and 31 USC § 1517, Prohibited Obligations and Expenditures, and 31 USC § 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;

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

31 USC, Section 1342, Limitation on Voluntary Services

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

31 USC, Section 1517, Prohibited Obligations and Expenditures

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

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

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

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

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

Violations of the Anti-Deficiency Act

Making or authorizing an obligation or expenditure:

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

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

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

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

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

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

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, 2022, DRA complied with the Anti-Deficiency Act.

The Prompt Payment Act (PPA)

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

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

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. DRA complied, in all relevant respects, with the Prompt Payment Act.

Delta Regional Authority

Management’s Discussion and Analysis
Year Ended September 30, 2022

Data Accountability and Transparency Act (DATA Act) of 2014 31 USC § 6101, PL 113-101

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

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

Fraud Reduction and Data Analytics Act (FRDAA) of 2015

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

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

Framework of Internal Control Year Ended September 30, 2022

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

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

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

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

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

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

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

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.

Delta Regional Authority

Management's Discussion and Analysis
Year Ended September 30, 2022

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, 2022 and 2021, 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, 2022

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.

With the delayed confirmation of the Federal Co-Chairman, former Alternate Federal Member, Leslie Durham approved in cooperation with the State members, grant awards in FY 2022 for FY 2021 funding 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). After his confirmation by the U.S. Senate, Dr. Wiggins, and the DRA Board have worked diligently to deploy statutory appropriations as well as Bipartisan Infrastructure Law/Infrastructure Investment and Jobs Act funds in support of regionally impactful programs and initiatives as evidenced in this report.

Prior to 2022 and the passage of the Bi-Partisan Infrastructure Law (BIL), Congress appropriated \$15 million annually to DRA for projects that fell within the guidelines of Basic Public Infrastructure (BPI) and Transportation Infrastructure (TI), and to also include activities involving flood control. These funds are to be exempted from the normal allocation formula used for the SEDAP. Beginning in 2022, DRA's BIL spend plan included a five-year supplement to the CIF program, which brings the total available funding for the program to \$30 million. These funds are directed by the Federal Co-Chair.

Regional Development Plan III (RDP III) Strategic Goals

In April 2016, DRA presented its third Regional Development Plan (RDP III) as an assessment of, and a response to, the region's myriad opportunities, assets, and challenges. The RDP III sets forth goals that currently guides prioritization of the Delta Regions economic development initiatives.

Dr. Corey Wiggins was confirmed by the U. S. Senate on or about March 9, 2022, and sworn into office on March 11, 2022, as the Federal Co-Chair of the Delta Regional Authority (DRA). As part of his transition into office, he immediately began assessing administration, fiscal management, programs, and legal compliance of DRA. Since his confirmation as Federal Co-Chair, Dr. Corey Wiggins has been intentional about his engagement of all communities within the eight-state region, about the challenges these communities are facing and about sharing with those communities the mission and purposes of the Delta Regional Authority. Dr. Wiggins has established the core goals to ensure DRA's fulfillment of these purposes:

- (1) Equitable community engagement
- (2) Increasing community capacity to receive federal support
- (3) Efficiently and expeditiously reinvesting taxpayer dollars in the communities we are established to serve
- (4) Establishment of a sustainable organization for continued support to rural communities

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

Due to FY2022 being the beginning of a transition year with the confirmation of the new Federal Co-Chair, Dr. Corey Wiggins, in March 2022, the Performance and Accountability Report for Fiscal Year 2022 continues to be aligned with the performance goals and targets outlined in the Regional Development Plan III.

Goal 1: Improved Workforce Competitiveness.

Advance the productivity and economic competitiveness of the Delta workforce.

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

Goal 2: Strengthened Infrastructure.

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

High-functioning transportation networks and basic infrastructure (e.g., water, wastewater, electricity, and natural gas, and affordable broadband internet) are essential for the long-term success of resilient regional economies. While it will be important to maintain the Delta region's existing infrastructure, there are also opportunities to make strategic investments in transportation and broadband infrastructure that will boost the region's economic potential. It is also necessary for communities to have the appropriate real estate options and financing available to attract new businesses and take advantage of the economic development opportunities available to them.

Goal 3: Increased Community Capacity.

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

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

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

This report includes a summary of results on the following DRA programs and initiatives:

Delta Regional Authority Grants

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

Bipartisan Infrastructure Law- Delta Regional Authority Grants

- States' Economic Development Assistance Program
- Community Infrastructure Fund
- Delta Workforce Grant Program
- Strategic Planning
- Local Development Districts Pilot Program

States' Economic Development Assistance Program (SEDAP)

- The States' Economic Development Assistance Program is DRA's primary investment program.
- The main vehicle of DRA investment, SEDAP serves as a strategic tool that promotes investment in the Authority's eight state, 252 county and parish footprint. SEDAP host competitive grant programs designed to support economic activities across the Mississippi River Delta and Alabama Black Belt Regions. This fund provides direct investment into community-based and regional projects that support basic public and infrastructure, workforce training and education, and small business development outcomes that grow the region. DRA's Federal statute dictates that at least 75% of these funds must flow towards economically distressed counties and parishes. Further, at least 50% of these funds must be targeted toward transportation and basic public infrastructure improvements.

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

Community Infrastructure Fund (CIF)

The Community Infrastructure Fund serves as a complement to SEDAP, with a particular focus on targeted physical infrastructure projects that help build safer, more environmentally resilient communities. CIF is designed to particularly be responsive to the needs of states and communities with the greatest infrastructure needs. Grantees are able to address their unmet infrastructure needs along public infrastructure, transportation frameworks, and flood control mitigation efforts.

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

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.

Bipartisan Infrastructure Law – Delta Regional Authority Grants

Bipartisan Infrastructure Law – Delta Regional Authority Grants (BIL-DRAG) are new monies designed to enhance and strengthen the work of the Delta Regional Authority, DRA was appropriated a historic supplemental appropriation of \$150 million in direct funding through the Bipartisan Infrastructure Law. DRA will utilize these funds to make grants that support the physical and human infrastructure of the region. These investments are anticipated to improve water and sewer systems, transportation infrastructure, job training, business development, and broadband connectivity thereby helping to build safer, connected, and more resilient communities. DRA will strengthen existing programs and establish new programs to ensure underserved communities are supported and are better positioned to take advantage of federal, private, and philanthropic resources available to them.

DRA’s spend plan includes grantmaking and technical assistance activities, agencywide internal control improvements, and sustainable staffing levels to efficiently and effectively deploy BIL funding and annual appropriations. DRA’s spend plan is consistent with authorizing legislation as reflected in its enabling statute, The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) SEC. 2009aa and the Infrastructure Investment and Jobs Act (IIJA) (Public Law 117-58 (otherwise known as the BIL) to ensure Congressional intent is realized in all programs and initiatives. While most of the investment will go towards strengthening the SEDAP and CIF funds, there is one particular program that will have direct impact on communities – the Delta Workforce Grant Program (DWP).

The Bipartisan Infrastructure Law – Delta Regional Authority Grants covered program will be spread across five programmatic areas:

- (1) States’ Economic Development Assistance Program
- (2) Community Infrastructure Fund
- (3) Delta Workforce Grant Program
- (4) Strategic Planning
- (5) Local Development Districts Pilot Program

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

Aligned with DRA's Regional Development Plan III:

GOAL 2. Strengthened Infrastructure: Strengthen the Delta's physical, digital, and capital connections to the global economy – DRA is strengthening infrastructure via Delta Regional Authority Grants and the historic investment into the region via Bipartisan Infrastructure Law- Delta Regional Authority Grants. These resources will collectively direct public investments into basic public infrastructure and transportation projects that can facilitate business expansion, company relocation, and job growth in Delta communities.

States' Economic Development Assistance Program (SEDAP) - FY22 Funding Allocation = \$5,000,000

SEDAP is a competitive grant program designed to stimulate and support economic development activities throughout the Mississippi River Delta Region and Alabama Black Belt.

Community Infrastructure Funds (CIF) - FY22 Funding Allocation = \$15,000,000

CIF is a competitive grant program designed to catalyze and strengthen regional economic development activities throughout the Mississippi River Delta Region and Alabama Black Belt.

Delta Workforce Grant Program (DWP) - FY22 Funding Allocation = \$6,000,000

Historically, the Delta Workforce Grant Program (DWP) has been a partnership between U.S. Department of Labor's Employment and Training Administration, the Department of Agriculture, and the Appalachian Regional Commission. DWP is a competitive grant program designed to support projects that expand job training and re-employment opportunities, align workforce and economic development strategies, create sustainable talent pipelines, establish or enhance locally/regionally significant public-private partnerships, and support enhanced workforce productivity through investments in innovative programming. The Delta Workforce Grant 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.

Strategic Planning Grants - FY22 Funding Allocation = \$1,500,000

DRA will use a portion of BIL funds to develop and administer a new competitive grant program to support strategic planning activities including, but not limited to, the following: comprehensive plans, master plans, capital improvement plans, economic development plans, workforce development plans, broadband deployment plans, utility rate studies, feasibility studies, market demand studies, preliminary engineering reports, and more. DRA will prioritize planning activities that demonstrate a regional approach, engage historically marginalized groups, and are anticipated to improve or strengthen economic development in DRA communities.

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

Local Development Districts Pilot Program [\$5,940,000] - FY22 Funding Allocation = \$0

DRA will use a portion of BIL funds to develop and administer a new, non-competitive grant program to build the capacity of the 45 LDDs in the Mississippi River Delta Region and Alabama Black Belt. The LDD Pilot Program will make fixed amount grants to LDDs in FY 2023 and FY 2024 to advance planning and technical assistance activities in their respective regions.

FY22 Program Funding Received in Disadvantaged Communities

<i>SEDAP</i>		Amount
<i>Basic Public Infrastructure</i>	22 Projects	\$ 7,450,302
<i>Transportation Infrastructure</i>	11 Projects	3,442,714
<i>Business Development</i>	9 Project	2,313,460
<i>Workforce Development</i>	14 Projects	4,872,472
<i>Other</i>	2 Projects	377,392
		<hr/>
		18,456,340
<i>CIF</i>	41 Projects	28,403,675
		<hr/>
	Total	\$ 46,860,015

Other DRA Initiatives

Delta Health Collaborative

Aligned with DRA's Regional Development Plan III:

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

The Delta Health Collaborative initiative supports access to healthcare, therefore improving 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).

The Mississippi River Delta region's most significant opportunities for economic growth and revitalization are based in the creation of jobs, expansion of businesses, and development of local entrepreneurial economies. However, the DRA region's macroeconomic challenges are compounded by lack of access to affordable, quality healthcare services. In response to this, DRA has established the Delta Health Collaborative to administer programmatic activities related to several critical initiatives including, but not limited to, Delta Doctors, Innovative Readiness Training (IRT), Delta Region Community Health Systems Development (DRCHSD) program, and Delta Region Rural Health Workforce Training (DRRHWT) program. For each of these initiatives, DRA collaborates with other federal agencies such as the U.S. Department of State (DOS), U.S. Department of Defense (DOD), and U.S. Health Resources and Services Administration (HRSA).

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

Specific information about each program/initiative is described below:

Delta Doctors

The Delta Doctors program allows foreign physicians who are trained in America to work in Health Professional Shortage Areas (HPSA) or Medically Underserved Areas (MUA) for three years if and when they successfully apply for and receive a J-1 visa waiver which provides even greater health access to areas that might not otherwise be able to recruit and retain a specialist. To cultivate an equitable healthcare system in the DRA region, these physicians must provide care to the indigent, Medicaid, and Medicare recipients.

Innovative Readiness Training

Through a partnership with DOD and the U.S. Military's reserve forces, DRA supports the Innovative Readiness Training program in Delta communities to bring medical, dental, and optical care to Delta residents in need of quality healthcare at no cost to the patients. The IRT program improves military readiness by providing trained military medical personnel with in-field emergency response training while simultaneously providing quality healthcare services to communities throughout the Delta region. By utilizing their extensive resources, the military is able to meet some of the region's most urgent health needs while serving many individuals who are uninsured or underinsured and in need of medical attention. DRA works closely with Delta communities and DOD to assist with the application process as well as planning and implementation for the two-week medical missions.

2022 IRT Medical Missions have been successfully executed. Mission outcomes are provided below:

Western Kentucky Wellness Mission – Hopkinsville

- Total Number of Patients: 807
- Total Number of Procedures/Services Provided: 2,385
- Medical, Nutrition, Behavioral Health: 799
- Dental: 1,589
- Optometry: N/A
- Total Mission Value: \$221,553

South Central Missouri Wellness Mission – Houston, Ava, Eminence

- Total Number of Patients: 1,358
- Total Number of Procedures/Services Provided: 4,438
- Medical, Nutrition, Behavioral Health: 291
- Dental: 3,687
- Optometry: 460
- Total Mission Value: \$661,643

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

Southern Illinois Wellness Mission - Carbondale

- Total Number of Patients: 755
- Total Number of Procedures/Services Provided: 2,456
- Medical, Nutrition, Behavioral Health: 318
- Dental: 1,708
- Optometry: 430
- Total Mission Value: \$275,012

Delta Region Community Health Systems Development Program

Through a partnership with HRSA, DRA assists with the administration of the DRCHSD program, which is designed to enhance healthcare delivery in the Delta Region through intensive technical assistance to providers in select rural communities, including critical access hospitals, small rural hospitals, rural health clinics and other healthcare organizations.

DRA assists HRSA by promoting the program to Delta constituents, soliciting eligible medical facilities in rural areas, participating in technical assistance activities, and connecting participating facilities with other DRA programs and federal resources.

Delta Region Rural Health Workforce Training Program

Through a partnership with HRSA, DRA assists with the administration of the DRRHWT program, which is designed to address the ongoing need in healthcare facilities for trained administrative support professionals in rural communities through the development of networks that support recruitment, formal training, social needs, certification, and placement of students. This program aims to provide training and pathways to professional certifications to current administrative support professionals working in rural DRA region healthcare facilities as well as new entrants to the workforce and dislocated workers.

Delta Leadership Institute (DLI)

Aligned with DRA's Regional Development Plan III:

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

DLI supports a wide array of leaders across the region through the Executive Academy, DLN conference, and continuing education programs.

The Delta Leadership Institute (DLI) serves to build leadership skills among Delta residents and foster collaboration with partners in the public and private sectors to improve the economic and social viability of the Delta as well as the overall quality of life in the Delta region. Currently, DLI is a body of fellows and alumni leaders who have participated in the year-long Executive Academy program. They focus daily on improving the decisions made by community leaders across the Delta. They are equipped with a regional and national perspective of the Delta, a toolkit of resources for addressing local community issues, and the training and professional development needed to extend the pipeline of skilled local leadership within our rural communities.

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

The Executive Academy and the resulting Delta Leadership Network (DLN) were created to empower community leaders who understand and are well-equipped in combating local and regional issues. Over the course of the Executive Academy academic year, participants attend six sessions and engage in training, case study discussions, and on-the-ground field studies of priority issue areas including workforce training and education, small business and entrepreneurship, transportation and public infrastructure, healthcare, and policy and governance. Upon graduation, these fellows become members of the DLN, where they engage community leaders both within their state and across the Delta to continue the learning and collaboration instilled through the Executive Academy. Having become a powerful voice for the region with over 600 alumni, the DLN commits time, talent, service, and often financial resources to various initiatives across the region. Executive Academy DLI held six sessions throughout the region in FY2022 focusing on Transportation and Infrastructure, Public Policy and Governance, and Building Communities through Vision, Collaboration, and Inspiration

Administration of Delta Regional Authority

As part of his transition into office, Dr. Wiggins immediately began conducting an assessment of administration, fiscal management, programs, and legal compliance of DRA. Due to absence of a FCC, lapses occurred in the implementation of early Executive Orders and Office of Management and Budget Memoranda. issued by the Administration. Federal Co-Chairman Wiggins has in no way willfully failed to comply with the U. S. Code, Executive Orders nor with OMB Guidance and is working feverishly to implement policies and protocols which bring DRA into compliance with all requirements of Presidential Memoranda.

Under Dr. Wiggins' Administration, DRA has submitted and acted in compliance with OMB guidance regarding each of the following Executive Orders and/or Office of Management and Budget Memoranda:

- Bipartisan Infrastructure Law (BIL) / Infrastructure Investment and Jobs Act (IIJA) Implementation Spend Plan pursuant to M-22-12 Advancing Effective Stewardship of Taxpayer Resources and Outcomes in the Implementation of the Infrastructure Investment and Jobs Act. Submitted Jun 24, 2022, Presented Implementation Plan to Coordinator Landrieu on Oct 18, 2022.
- Buy America, Build America (BABA) – Made In America Initial Plan and Annual Report pursuant to M-22-11 Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure. Submitted August 5, 2022.
- America the Beautiful (AtB) initiative pursuant to Executive Order 14008, Tackling the Climate Crisis at Home and Abroad. Submitted August 11, 2022.
- Cybersecurity Executive Order pursuant to Executive Order 13985 Implementation Coordination and Learning Community and M-22-09 Federal Zero Trust Strategy (whitehouse.gov). DRA has initiated actions and committed resources necessary to comply with the requirements of the memorandum achieve specific zero trust security goals by the end of Fiscal Year (FY) 2024.

Delta Regional Authority

Performance Report

Year Ended September 30, 2022

- Executive Order on DEIA in the Federal Workforce pursuant to Executive Order on Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce. DRA submitted its Equity Action Plan in January of 2021. The annual report due on Jan 22 was not filed; however, DRA, under Dr. Wiggins's Administration has begun to implement the commitments made therein and will file its annual report detailing those action items in January 2023.
- Memorandum on Tribal Consultation and Strengthening Nation to Nation Relationships pursuant to Executive Order 13175. DRA Action Plan and 270-day report was submitted on Oct 22, 2022.
- Justice40 Initiative (and Executive Order on the Climate Crisis) pursuant to M-21-28 Interim Implementation Guidance for the Justice40 Initiative.
- Provided list of agency covered programs and defined benefits - Submitted July 11, 2022.
- Updated funding tables (e.g., the "Spending Data" table) to reflect budget authority levels in the respective table columns with FY 2022 Enacted levels, FY 2023 Budget request, and IJA budget authority (FY 2022 only). Submitted August 22, 2022.
- Submitted DRA's specific definition(s) of "disadvantaged community" currently used by Justice40 covered programs at the agency.
- Submitted the deliverable(s) requested in section V.A. of M-21-28 (i.e., program financial/budget information), the deliverable(s) requested in section IV, A, ii of M-21-28 (i.e., Benefits Methodology); and the deliverable(s) requested in section V.B. of M-21-28 (e.g., distribution of program benefits data) on October 24, 2022.
- Lapse Plan - As required by section 124 of the Office of Management and Budget Circular A-11, DRA participated in the federal government wide meeting led by OMB with all agencies and on September 26, 2022 submitted its Lapse Plan outlining the DRA's plan for operating in the event of a lapse in appropriations.

Section 3 – Financial Section

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

W. Lee Mattox, CPA
Gay G. Moss, CPA



Fred T. Neely, CPA
(1897 – 1967)
Billy Joe Killebrew, CPA
(1942 – 2010)
Ralph F. Neely, CPA
(1927 – 2022)

Independent Auditor's Report

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

In our audits of the fiscal years 2022 and 2021 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, 2022 and 2021, 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 2022 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 and on internal control over financial reporting, which includes required supplementary information (RSI) and other information included with the financial statements; and (2) our report on compliance with laws, regulations, contracts, and grant agreements.

Report on the Financial Statements

Opinion

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, 2022 and 2021; 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. In our opinion, the Authority's financial statements present fairly, in all material respects, the Authority's financial position as of September 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority

and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The 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 the Authority's Performance and Accountability Report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to our audit 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 Authority's internal control over financial reporting. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

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. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it 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. Management is responsible for the other information included in the Authority's Performance and Accountability Report. The other information comprises other information in the report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audits of the Authority's financial statements, we considered the Authority's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or 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 consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to the Authority's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Internal Control over Financial Reporting

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

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of the Authority's financial statements as of and for the fiscal year ended September 30, 2022, in accordance with U.S. generally accepted government auditing standards, we considered the Authority's internal control relevant to the financial statement audit 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 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.

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, Contracts, 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 responsibilities discussed below.

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 2022 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.

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

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

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

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

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 to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant

agreements applicable to the Authority. We caution that noncompliance may occur and not be detected by these tests.

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, 2022

Delta Regional Authority

Balance Sheets

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Intragovernmental:		
Fund balance with Treasury	\$239,530,202	\$ 77,737,898
Advances and prepayments	8,464	-
Total intragovernmental	<u>239,538,666</u>	<u>77,737,898</u>
Other than intragovernmental/with the public:		
Cash and other monetary assets	4,843,544	4,749,915
Accounts receivable, net	407,778	205,678
Other assets	8,822	-
General property and equipment, net	43,976	47,806
Total other than intragovernmental/with the public	<u>5,304,120</u>	<u>5,003,399</u>
Total assets	<u>244,842,786</u>	<u>82,741,297</u>
Liabilities		
Intragovernmental:		
Liability for advances and prepayments	3,431,294	3,798,757
Other liabilities	2,021	-
Total intragovernmental	<u>3,433,315</u>	<u>3,798,757</u>
Other than intragovernmental/with the public:		
Accounts payable	965,950	1,658,302
Grants and other payables	651,031	376,983
Accrued funded payroll and leave	175,313	118,020
Total other than intragovernmental/with the public	<u>1,792,294</u>	<u>2,153,305</u>
Total liabilities	<u>5,225,609</u>	<u>5,952,062</u>
Net position		
Unexpended appropriations - all other funds (consolidated totals)	239,617,177	76,789,235
Cumulative results of operations - all other funds (consolidated totals)	<u>-</u>	<u>-</u>
Total net position	<u>239,617,177</u>	<u>76,789,235</u>
Total liabilities and net position	<u>\$244,842,786</u>	<u>\$ 82,741,297</u>

Delta Regional Authority

Statements of Net Cost

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Program Costs		
Council of Inspectors General on Integrity and Efficiency		
Gross cost	\$ 21,813,570	\$ 26,004,985
Less: earned revenue	<u>(367,462)</u>	<u>(1,847,957)</u>
Total net program costs	<u>21,446,108</u>	<u>24,157,028</u>
Net cost of operations	<u>\$ 21,446,108</u>	<u>\$ 24,157,028</u>

Delta Regional Authority

Statements of Changes in Net Position
Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Unexpended appropriations		
Beginning balance	\$ 76,789,235	\$ 67,560,194
Appropriations received	180,100,000	30,000,000
Other adjustments	37,438	-
Appropriations used	(17,300,124)	(21,488,645)
Other:		
Cost of operations absorbed by member states and others	1,744,504	1,959,877
Cost of operations absorbed by Rural Community Assistance Program (RCAP)	2,381,076	1,423,040
Disbursements of funds provided by member states and others	(1,747,973)	(1,242,191)
Disbursements of Rural Community Assistance Program (RCAP) funds	(2,386,979)	(1,423,040)
Change in unexpended appropriations	<u>162,827,942</u>	<u>9,229,041</u>
Total unexpended appropriations	<u>239,617,177</u>	<u>76,789,235</u>
Cumulative results of operations		
Beginning balance	-	-
Appropriations used	17,300,124	21,488,645
Other:		
Imputed financing from costs absorbed by others	11,032	3,152
Disbursements of Rural Community Assistance Program (RCAP) funds	2,386,979	1,423,040
Disbursements of funds provided by member states and others	1,747,973	1,242,191
	<u>21,446,108</u>	<u>24,157,028</u>
Net cost of operations	<u>(21,446,108)</u>	<u>(24,157,028)</u>
Change in cumulative results of operations	-	-
Total cumulative results of operations	-	-
Net position	<u>\$ 239,617,177</u>	<u>\$ 76,789,235</u>

Delta Regional Authority

Statements of Resources (Budgetary and Non-Budgetary)

Year Ended September 30, 2022

	Federal	State and Other	RCAP	Combined
	Budgetary	Non- Budgetary	Non- Budgetary	Budgetary & Non-Budgetary
Budgetary/Non-Budgetary resources				
Unobligated balance from prior year budget authority, net (discretionary & mandatory)	\$ 33,427,021	\$ 4,647,619	\$ (30,700)	\$ 38,043,940
Appropriations (discretionary & mandatory)	180,100,000	-	-	180,100,000
Spending authority from offsetting collections (discretionary & mandatory)	-	1,744,504	2,381,076	4,125,580
Total budgetary/non-budgetary resources	<u>213,527,021</u>	<u>6,392,123</u>	<u>2,350,376</u>	<u>222,269,520</u>
Status of budgetary resources				
New obligations & upward adjustments	65,030,224	-	-	65,030,224
Unobligated balances/unexpended funds				
Apportioned, unexpired accounts	149,995,053	-	-	149,995,053
Unapportioned, unexpired accounts	(1,498,256)	-	-	(1,498,256)
Unexpired unobligated balance	148,496,797	-	-	148,496,797
Unexpended funds	-	4,644,150	(36,603)	4,607,547
Unobligated/unexpended balance	<u>148,496,797</u>	<u>4,644,150</u>	<u>(36,603)</u>	<u>153,104,344</u>
Total budgetary resources	<u>213,527,021</u>	<u>4,644,150</u>	<u>(36,603)</u>	<u>218,134,568</u>
Outlays, net				
Outlays, net (total) (discretionary & mandatory)	<u>18,243,126</u>	<u>310</u>	<u>5,903</u>	<u>18,249,339</u>
Agency outlays, net (discretionary & mandatory)	<u>\$ 18,243,126</u>	<u>\$ 310</u>	<u>\$ 5,903</u>	<u>\$ 18,249,339</u>

Delta Regional Authority

Statements of Resources (Budgetary and Non-Budgetary)

Year Ended September 30, 2021

	Federal	State and Other	RCAP	Combined
	Budgetary	Non- Budgetary	Non-Budgetary	Budgetary & Non-Budgetary
Budgetary/Non-Budgetary resources				
Unobligated balance from prior year budget authority, net (discretionary & mandatory)	\$ 7,660,892	\$ 3,929,933	\$ (30,700)	\$ 11,560,125
Appropriations (discretionary & mandatory)	30,000,000	-	-	30,000,000
Spending authority from offsetting collections (discretionary & mandatory)	-	1,959,877	1,423,040	3,382,917
Total budgetary/non-budgetary 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 & upward adjustments	4,233,871	-	-	4,233,871
Unobligated balances/unexpended funds				
Apportioned, unexpired accounts	34,925,277	-	-	34,925,277
Unapportioned, unexpired accounts	(1,498,256)	-	-	(1,498,256)
Unexpired unobligated balance	33,427,021	-	-	33,427,021
Unexpended funds	-	4,647,619	(30,700)	4,616,919
Unobligated/unexpended balance	33,427,021	4,647,619	(30,700)	38,043,940
Total budgetary resources	<u>37,660,892</u>	<u>4,647,619</u>	<u>(30,700)</u>	<u>42,277,811</u>
Outlays, net				
Outlays, net (total) (discretionary & mandatory)	23,562,980	(652,786)	51,345	22,961,539
Agency outlays, net (discretionary & mandatory)	<u>\$ 23,562,980</u>	<u>\$ (652,786)</u>	<u>\$ 51,345</u>	<u>\$ 22,961,539</u>

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Principles

A. Reporting Entity

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

The Authority is a party to allocation transfers with other federal agencies as a transferring (parent) entity. Allocation transfers are legal delegations by one department of its authority to obligate budget authority and outlay funds to another department. A separate fund account (allocation account) is created in the U.S. Department of Treasury (U.S. 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 have 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, 2022 and 2021, amounts of future economic benefits owned or managed by DRA (assets), amounts owed by DRA (liabilities), and amounts which comprise the difference (net position). The statements of net cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within DRA and other reporting entities. The statements of changes in net position reflect financing sources available to DRA, the cost of its operations and the net change in its financial position. The statements of resources (budgetary and non-budgetary) report an agency's budgetary activity.

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

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 has received funds from the 2022 Infrastructure Investment and Jobs Act, a reimbursable agreement with the Economic Development Authority (EDA) during fiscal years 2018 - 2020, and the Department of Labor (DOL) during fiscal years 2019 – 2020.

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

G. Cash and Other Monetary Assets

Cash and monetary assets consist of (i) coins, paper currency and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in transit for deposit; (ii) amounts on demand deposit with banks or other financial institutions including non-confirmed collections and disbursements; and (iii) restricted cash held in a custodial capacity for the U.S. Treasury from funds collected through the Delta Health Collaborative. This non-entity cash represents \$1,728,528 of the total cash and other monetary assets balance as of September 30, 2022. On July 1, 2022, USDA began funding this program and the Delta Health Collaborative restricted balance will be remitted to the U.S. Treasury in FY 2023.

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, 2022 and 2021

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>2022</u>	<u>2021</u>
Fund balance with Treasury		
General fund	<u>\$ 239,538,666</u>	<u>\$ 77,737,898</u>
Status of fund balance with Treasury		
Unobligated balance		
Available	\$ 148,496,797	\$ 33,427,022
Unavailable	-	-
Obligated balance not yet disbursed	<u>91,041,869</u>	<u>44,310,876</u>
Total	<u>\$ 239,538,666</u>	<u>\$ 77,737,898</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). At September 30, 2022, \$310,487 was due from USDA for subgrantee expenses recorded in the financial statements as program costs, 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, 2021, \$20,000 was due from the state of Missouri for an underpayment of their FY21 state assessment, \$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 the project discussed above. DRA has historically collected any receivables due and thus has not established an allowance for uncollectible accounts.

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

Note 4 – General Property and Equipment, Net

General property and equipment balance consisted of a vehicle and computer equipment with a total cost of \$59,894, accumulated depreciation of \$15,918 and a net book value of \$43,976 at September 30, 2022. Vehicles and computer equipment are depreciated over a five-year estimated useful life. Depreciation expense for the fiscal year ended September 30, 2022 was \$10,829.

General property and equipment balance consisted 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 were 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 of, and one additional vehicle was acquired in July of 2021.

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>2022</u>	<u>2021</u>
Balance of state funds on hand, beginning of year	\$ -	\$ -
Current year billed to and received from states	<u>1,175,741</u>	<u>1,175,741</u>
Total available from states	<u>\$ 1,175,741</u>	<u>\$ 1,175,741</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, 2022 and 2021

Liabilities not covered by budgetary resources	2022	2021
Leave liability (state and other)	\$ 168,624	\$ 118,020
Accounts payable (state and other)	57,514	54,355
Deferred inflows from grants (RCAP)	153,934	33,424
Deferred inflows from assessments (state and other)	-	107,548
Grants and other payables (RCAP)	399,487	138,720
Due to USDA (RCAP)	97,291	97,291
Total liabilities not covered by budgetary resources	<u>876,850</u>	<u>549,358</u>
Liabilities covered by budgetary resources	2022	2021
<u>Intragovernmental</u>		
Employer contributions and payroll taxes payable	2,021	-
Liability for advances and prepayments	3,431,294	3,798,757
Total intragovernmental	<u>3,433,315</u>	<u>3,798,757</u>
<u>With the public</u>		
Accounts payable	908,436	1,603,947
Accrued funded payroll and leave	6,689	-
Other liabilities	319	-
Total with the public	<u>915,444</u>	<u>1,603,947</u>
Total liabilities covered by budgetary resources	<u>4,348,759</u>	<u>5,402,704</u>
Total liabilities	<u>\$ 5,225,609</u>	<u>\$ 5,952,062</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. The Little Rock office was closed in FY 2022. Future minimum lease payments at September 30, 2022 are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 44,108
Total	<u>\$ 44,108</u>

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

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 \$159,470 and \$141,272 for the years ended September 30, 2022 and 2021, 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 years ended September 30, 2022 and 2021, respectively, inter-entity costs were \$11,032 and \$3,152, respectively.

Note 9 – Apportionment Categories of Obligations Incurred

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

	<u>2022</u>	<u>2021</u>
Direct - category B grants	\$ 63,188,280	\$ 2,749,578
Direct - category B administration	1,841,944	1,295,405
Reimbursed - category B grants	-	188,888
Reimbursed - category B administration	-	-
Total obligations	<u>\$ 65,030,224</u>	<u>\$ 4,233,871</u>

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

Note 10 – Undelivered Orders at the End of the Period

The amount of the DRA’s budgetary resources obligated for unpaid undelivered orders was \$89,364,021 and \$42,544,051 as of September 30, 2022 and 2021, respectively.

	Undelivered Orders		
	Unpaid	Paid	Total
Intragovernmental			
2022	\$ 5,154	\$ 8,464	\$ 13,618
2021	\$ 3,033	\$ -	\$ 3,033
With the Public			
2022	\$ 89,350,403	\$ -	\$ 89,350,403
2021	\$ 42,541,018	\$ -	\$ 42,541,018

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 \$876,850 and \$549,358 at September 30, 2022 and 2021 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, 2022 and 2021.

Note 12 – Costs and Exchange Revenue

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

	2022	2021
Program Costs		
Intragovernmental costs	\$ 216,327	\$ 179,804
Public costs	21,597,243	25,825,181
Total program costs	21,813,570	26,004,985
Less: intragovernmental earned revenue	367,462	1,847,957
Total net program costs	<u>\$ 21,446,108</u>	<u>\$ 24,157,028</u>

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

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 \$175,000 and \$170,000 for the years ended September 30, 2022 and 2021, 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 the annual covered payroll. The Authority's contributions to FERS for the years ended September 30, 2022 and 2021, were approximately \$39,362 and \$39,357, 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 2022 actual budgetary execution information is scheduled for publication in February 2023, which will be available through

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

OMB’s website (<http://www.whitehouse.gov/omb>). Accordingly, information required for such disclosure is not available at the time of publication of these financial statements. Balances reported in the FY 2021 SBR and the related President’s Budget reflected the following:

FY2021	Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 37,660,892	\$ 4,233,871	\$ -	\$ 23,831,782
<i>Budget of the U.S. Government</i>	38,000,000	4,000,000	-	24,000,000
	<u>\$ (339,108)</u>	<u>\$ 233,871</u>	<u>\$ -</u>	<u>\$ (168,218)</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. There were no Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2022, and 2021, 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

Delta Regional Authority

Notes to Financial Statements
September 30, 2022 and 2021

resources used to finance assets and net cost of operations (e.g., increases in accounts receivables or capitalized assets). Financing sources yet to be provided represent financing that will be provided in future periods for future costs that are recognized in determining the net cost of operations for the present period. Finally, components not requiring or generating resources are costs included in the net cost of operations that do not require resources (e.g., depreciation and amortized expenses of assets previously capitalized).

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

	<u>2022</u>	<u>2021</u>
Budgetary resources obligated	\$ 65,030,224	\$ 4,233,871
Spending authority from recoveries and offsetting collections	-	-
Imputed financing from costs absorbed by others	11,032	3,152
Disbursements of funds provided by member states and others	1,747,973	1,242,191
Disbursements of RCAP funds	2,386,979	1,423,040
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	<u>(47,730,100)</u>	<u>17,254,774</u>
Net cost of operations	<u>\$ 21,446,108</u>	<u>\$ 24,157,028</u>

Note 18 – Subsequent Events

DRA has evaluated subsequent events occurring after the balance sheet date and through the date of November 15, 2022, 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, 2022

	Federal	State and Other	RCAP	Total
Assets				
Intragovernmental:				
Fund balance with Treasury	\$ 239,530,202	\$ -	\$ -	\$ 239,530,202
Advances and prepayments	8,464	-	-	8,464
Total intragovernmental	239,538,666	-	-	239,538,666
Other than intragovernmental:				
Cash and other monetary assets	-	4,637,213	206,331	4,843,544
Accounts receivable, net	-	-	407,778	407,778
Other assets	-	8,822	-	8,822
General property and equipment, net	-	43,976	-	43,976
Total other than intragovernmental	-	4,690,011	614,109	5,304,120
Total assets	239,538,666	4,690,011	614,109	244,842,786
Liabilities				
Intragovernmental:				
Liability for advances and prepayments	3,431,294	-	-	3,431,294
Other liabilities	2,021	-	-	2,021
Total intragovernmental	3,433,315	-	-	3,433,315
Other than intragovernmental/with the public:				
Interfund transfers	180,277	(180,277)	-	-
Accounts payable	908,436	57,514	-	965,950
Grants and other liabilities with the public	319	-	650,712	651,031
Accrued funded payroll and leave	6,689	168,624	-	175,313
Total other than intragovernmental/ with the public	1,095,721	45,861	650,712	1,792,294
Total liabilities	4,529,036	45,861	650,712	5,225,609
Net position				
Unexpended appropriations - all other funds (consolidated totals)	235,009,630	4,644,150	(36,603)	239,617,177
Cumulative results of operations - all other funds (consolidated totals)	-	-	-	-
Total net position	235,009,630	4,644,150	(36,603)	239,617,177
Total liabilities and net position	\$ 239,538,666	\$ 4,690,011	\$ 614,109	\$ 244,842,786

Delta Regional Authority

Combining Balance Sheet

September 30, 2021

	Federal	State and Other	RCAP	Total
Assets				
Intragovernmental				
Fund balance with Treasury	\$ 77,737,897	\$ -	\$ -	\$ 77,737,897
Total intragovernmental	77,737,897	-	-	77,737,897
Other than intragovernmental:				
Cash and other monetary assets	-	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	-	4,728,973	274,426	5,003,399
Total assets	77,737,897	4,728,973	274,426	82,741,296
Liabilities				
Intragovernmental:				
Liability for advances and prepayments	3,798,757	-	-	3,798,757
Total intragovernmental	3,798,757	-	-	3,798,757
Other than intragovernmental/with the public:				
Interfund transfers	162,878	(198,569)	35,691	-
Accounts payable	1,603,946	54,355	-	1,658,301
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	1,766,824	81,354	305,126	2,153,304
Total liabilities	5,565,581	81,354	305,126	5,952,061
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)	-	-	-	-
Total net position	72,172,316	4,647,619	(30,700)	76,789,235
Total liabilities and net position	\$ 77,737,897	\$ 4,728,973	\$ 274,426	\$ 82,741,296

Delta Regional Authority

Combining Statement of Net Cost
September 30, 2022

	<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	\$ 17,678,618	\$ 1,747,973	\$ 2,386,979	\$ 21,813,570
Less: earned revenue	<u>(367,462)</u>	<u>-</u>	<u>-</u>	<u>(367,462)</u>
Total net program cost	<u>17,311,156</u>	<u>1,747,973</u>	<u>2,386,979</u>	<u>21,446,108</u>
Net cost of operations	<u>\$ 17,311,156</u>	<u>\$ 1,747,973</u>	<u>\$ 2,386,979</u>	<u>\$ 21,446,108</u>

Delta Regional Authority

Combining Statement of Net Cost
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>\$ 21,491,797</u>	<u>\$ 1,242,191</u>	<u>\$ 1,423,040</u>	<u>\$ 24,157,028</u>

Delta Regional Authority

Combining Statement of Changes in Net Position
Year Ended September 30, 2022

	Federal	State and Other	RCAP	Total
Unexpended appropriations				
Beginning balance	\$ 72,172,316	\$4,647,619	\$ (30,700)	\$ 76,789,235
Appropriations received	180,100,000	-	-	180,100,000
Other adjustments	37,438	-	-	37,438
Appropriations used	(17,300,124)	-	-	(17,300,124)
Other:				
Cost of operations absorbed by member states and others	-	1,744,504	-	1,744,504
Cost of operations absorbed by RCAP	-	-	2,381,076	2,381,076
Disbursements of funds provided by member states and others	-	(1,747,973)	-	(1,747,973)
Disbursements of RCAP funds	-	-	(2,386,979)	(2,386,979)
			-	
Change in unexpended appropriations	162,837,314	(3,469)	(5,903)	162,827,942
Total unexpended appropriations	235,009,630	4,644,150	(36,603)	239,617,177
Cumulative results of operations				
Beginning balance	-	-	-	-
Appropriations used	17,300,124	-	-	17,300,124
Other:				
Imputed financing from costs absorbed by others	11,032	-	-	11,032
Disbursements of RCAP funds	-	-	2,386,979	2,386,979
Disbursements of funds provided by member states and others	-	1,747,973	-	1,747,973
	17,311,156	1,747,973	2,386,979	21,446,108
Net cost of operations	(17,311,156)	(1,747,973)	(2,386,979)	(21,446,108)
Change in cumulative results of operations	-	-	-	-
Total cumulative results of operations	-	-	-	-
Net position	\$235,009,630	\$4,644,150	\$ (36,603)	\$239,617,177

Delta Regional Authority

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

	Federal	State and Other	RCAP	Total
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	8,511,355	717,686	-	9,229,041
Total unexpended appropriations	72,172,316	4,647,619	(30,700)	76,789,235
Cumulative results of operations				
Beginning balance	-	-	-	-
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
	21,491,797	1,242,191	1,423,040	24,157,028
Net cost of operations	(21,491,797)	(1,242,191)	(1,423,040)	(24,157,028)
Change in cumulative results of operations	-	-	-	-
Total cumulative results of operations	-	-	-	-
Net position	\$ 72,172,316	\$4,647,619	\$ (30,700)	\$ 76,789,235

Delta Regional Authority

Combining Reconciliation of Net Cost of Operations (Proprietary to Budget)
Year Ended September 30, 2022

	Federal	State and Other	RCAP	Total
Resources used to finance activities				
<u>Budgetary resources obligated</u>				
Obligations incurred	\$ 65,030,224	\$ -	\$ -	\$ 65,030,224
Less: spending authority from offsetting collections and recoveries	-	-	-	-
Obligations net of offsetting collections and recoveries	65,030,224	-	-	65,030,224
Net obligations	65,030,224	-	-	65,030,224
<u>Other resources</u>				
Imputed financing from costs absorbed by others	11,032	-	-	11,032
Disbursements of funds provided by member states and others	-	1,747,973	-	1,747,973
Disbursements of RCAP funds	-	-	2,386,979	2,386,979
Net other resources used to finance activities	11,032	1,747,973	2,386,979	4,145,984
Total resources used to finance activities	65,041,256	1,747,973	2,386,979	69,176,208
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	47,730,100	-	-	47,730,100
Total resources used to finance items not part of the net cost of operations	47,730,100	-	-	47,730,100
Total resources used to finance net cost of operations	<u>\$ 17,311,156</u>	<u>\$ 1,747,973</u>	<u>\$ 2,386,979</u>	<u>\$ 21,446,108</u>

Delta Regional Authority

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

	Federal	State and Other	RCAP	Total
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	4,233,871	-	-	4,233,871
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	3,152	1,242,191	1,423,040	2,668,383
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	(17,254,774)	-	-	(17,254,774)
Total resources used to finance items not part of the net cost of operations	(17,254,774)	-	-	(17,254,774)
Total resources used to finance net cost of operations	<u>\$ 21,491,797</u>	<u>\$ 1,242,191</u>	<u>\$ 1,423,040</u>	<u>\$ 24,157,028</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	-	-	-	-
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

Schedule of Expenditures

Year Ended September 30, 2022

	Paid From			Total
	Federal	State and Other	RCAP	
Grants, subsidies and contributions	\$ 15,858,941	\$ -	\$ 2,386,979	\$ 18,245,920
Consulting and other services	443,246	234,769	-	678,015
Employee benefits	172,570	262,619	-	435,189
Personnel services	62,943	617,440	-	680,383
Travel and transportation of persons	239,429	258,844	-	498,273
Rent, communications and utilities	31,600	61,829	-	93,429
Supplies and materials	458,325	288,553	-	746,878
Printing and reproduction	28,725	13,017	-	41,742
Office expense	15,377	10,902	-	26,279
Total expenditures	<u>\$ 17,311,156</u>	<u>\$ 1,747,973</u>	<u>\$ 2,386,979</u>	<u>\$ 21,446,108</u>

Delta Regional Authority

Schedule of Grants Made

Years Ended September 30, 2022, 2021 and 2020

	2022			2021*			2020		
	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %
Basic public infrastructure	\$ 6,899,373	\$ 416,464,638	44.0%	\$ -	\$ -	0.0%	\$ 7,981,735	\$ 100,045,036	50.7%
Transportation infrastructure	2,106,967	4,963,930	13.4%	2,406,710	23,169,087	100.0%	2,442,861	98,550,612	15.5%
Business development	3,028,629	34,970,431	19.3%	-	-	0.0%	2,644,661	5,896,998	16.8%
Work development	2,243,063	5,869,398	14.3%	-	-	0.0%	2,550,088	6,664,388	16.2%
Other	1,407,549	5,104,240	9.0%	-	-	0.0%	131,000	131,000	0.8%
	<u>\$ 15,685,581</u>	<u>\$ 467,372,637</u>	<u>100.0%</u>	<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>

	2022			2021*			2020		
	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %
State allocations									
Alabama	\$ 1,641,142	\$ 1,917,635	10.1%	\$ -	\$ -	0.0%	\$ 1,544,496	\$ 1,454,239	10.3%
Arkansas	2,225,382	2,674,233	14.1%	-	-	0.0%	2,816,649	2,068,162	14.6%
Illinois	1,129,234	1,465,061	7.7%	-	-	0.0%	1,228,976	1,185,209	8.4%
Kentucky	1,452,132	1,702,140	9.0%	-	-	0.0%	1,358,137	1,316,270	9.3%
Louisiana	3,217,852	4,093,054	21.6%	-	-	0.0%	3,349,352	2,805,549	19.8%
Mississippi	1,817,557	2,856,357	15.1%	-	-	0.0%	671,389	2,183,838	15.4%
Missouri	2,461,413	2,176,676	11.5%	2,406,710	-	100.0%	2,684,961	1,611,112	11.4%
Tennessee	1,740,869	2,045,443	10.8%	-	-	0.0%	2,096,385	1,545,621	10.9%
	<u>\$ 15,685,581</u>	<u>\$ 18,930,599</u>	<u>100.0%</u>	<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>

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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, 2022, 2021 and 2020

	2022			2021*			2020		
	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %	DRA Obligated	Total Funds	Funding %
Basic public infrastructure	\$ 9,457,781	\$ 135,741,317	78.3%	\$ -	\$ -	0.0%	\$ 8,053,311	\$ 34,831,060	65.8%
Transportation infrastructure	2,626,939	451,716,090	21.7%	-	-	0.0%	4,047,383	273,456,007	33.1%
Business development	-	-	0.0%	-	-	0.0%	-	-	0.0%
Work development	-	-	0.0%	-	-	0.0%	-	-	0.0%
Other	-	-	0.0%	-	-	0.0%	136,405	167,405	1.1%
	<u>\$ 12,084,720</u>	<u>\$ 587,457,407</u>	<u>100.0%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.0%</u>	<u>\$ 12,237,099</u>	<u>\$ 308,454,472</u>	<u>100.0%</u>
	2022			2021*			2020		
	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %	DRA Obligated	State Allocation	State %
State allocations									
Alabama	\$ 1,807,831	\$ 1,807,831	15.0%	\$ -	\$ -	0.0%	\$ 732,249	\$ 732,249	6.0%
Arkansas	1,014,000	1,014,000	8.4%	-	-	0.0%	2,509,000	2,509,000	20.5%
Illinois	664,500	664,500	5.5%	-	-	0.0%	457,253	457,253	3.7%
Kentucky	2,294,740	2,294,740	19.0%	-	-	0.0%	3,397,133	3,397,133	27.8%
Louisiana	3,588,715	3,588,715	29.7%	-	-	0.0%	1,324,739	1,324,739	10.8%
Mississippi	2,235,481	2,235,481	18.5%	-	-	0.0%	2,297,725	2,297,725	18.8%
Missouri	479,453	479,453	4.0%	-	-	0.0%	-	-	0.0%
Tennessee	-	-	0.0%	-	-	0.0%	1,519,000	1,519,000	12.4%
	<u>\$ 12,084,720</u>	<u>\$ 12,084,720</u>	<u>100.0%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.0%</u>	<u>\$ 12,237,099</u>	<u>\$ 12,237,099</u>	<u>100.0%</u>

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