

SOUTHEAST MISSOURI REGIONAL
PLANNING AND ECONOMIC
DEVELOPMENT COMMISSION

Perryville, Missouri

For The Year Ended September 30, 2020

ANNUAL FINANCIAL REPORT

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor’s Report.....	1-3
Management’s Discussion and Analysis.....	4-7
 <u>BASIC FINANCIAL STATEMENTS</u>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position.....	8
Statement of Activities.....	9
 <i>Fund Financial Statements – Governmental Funds:</i>	
Balance Sheet – Governmental Funds.....	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	11
 <i>Proprietary Fund Statements:</i>	
Statement of Net Position – Proprietary Fund.....	12
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund.....	13
Statement of Cash Flows – Proprietary Fund.....	14
Notes to the Basic Financial Statements.....	15-33
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule – General Fund.....	34
Notes to Budgetary Comparison Schedule.....	35
Schedule of Changes in Net Pension Liability and Related Ratios.....	36
Schedule of Contributions.....	37
 <u>SUPPLEMENTARY INFORMATION</u>	
Combining Balance Sheet – General Fund.....	38-40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund.....	41-43

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
TABLE OF CONTENTS**

<u>SUPPLEMENTARY INFORMATION (concluded)</u>	PAGE
Combining Statement of Net Position – Enterprise Funds and Component Unit.....	44
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Funds and Component Unit.....	45
 <u>FEDERAL COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46-47
Report on Compliance for Each Major Federal Program and Report On Internal Control Over Compliance Required by the Uniform Guidance.....	48-49
Schedule of Expenditures of Federal Awards.....	50
Notes to the Schedule of Expenditures of Federal Awards.....	51
Schedule of Findings and Questioned Costs.....	52-53
Summary Schedule of Prior Year Audit Findings.....	54



Daniel Jones & Associates

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Southeast Missouri Regional Planning
and Economic Development Commission
Perryville, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component unit and each major fund of Southeast Missouri Regional Planning and Economic Development Commission ("Commission"), Missouri, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component unit and each major fund of Southeast Missouri Regional Planning and Economic Development Commission, Missouri, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of Changes in Net Pension Liability and Related Ratios, and Schedule of Contributions on pages 4 through 7, 34, 36, and 37, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southeast Missouri Regional Planning and Economic Development Commission's basic financial statements. The accompanying Combining Balance Sheet – General Fund, Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund, Combining Statement of Net Position – Enterprise Funds and Component Unit and Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Funds and Component Unit on pages 38 through 45 and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, on page 50, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted

in the United States of America. In our opinion, the combining financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2021, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 14, 2021

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(UNAUDITED)

Introduction

In June, 1999, the Governmental Accounting Standards Board (GASB) adopted Statement 34, "Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments." The standard requires that a "Management's Discussion and Analysis" be included in annual audited basic financial statements. The Southeast Missouri Regional Planning and Economic Development Commission (SEMO RPC) implemented GASB Statement No. 34 for the fiscal year ending September 30, 2004. This discussion and analysis is designed to assist the reader in identifying significant financial issues and activities of the SEMO RPC and analyze changes in financial position.

Financial Analysis

The Statement of Net Position, which can be found on Page 8, provides an overview of the SEMO RPC's financial position at a given point in time. The Statement of Activities, which can be found on Page 9, reports changes in the SEMO RPC's financial position resulting from the year's activities. Both statements are used to evaluate the financial health of the SEMO RPC.

Summary of Statement of Net Position

	SEPTEMBER 30, 2019	SEPTEMBER 30, 2020
Current Assets & Other Assets, Net	\$2,020,574	\$2,146,059
Capital Assets, net	770,366	750,579
Total Assets	2,790,940	2,896,638
Total Deferred Outflows of Resources	162,181	220,253
Current Liabilities	354,163	179,740
Long-Term Liabilities	288,828	268,866
Net Pension Obligation-LAGERS	725,214	831,018
Total Liabilities	1,368,205	1,279,624
Total Deferred Inflows of Resources	111,629	37,016
Net Investment in Capital Assets	463,008	463,287
Unrestricted	(79,433)	165,576
Restricted for Other Purposes	1,089,712	1,171,388
Total Net Position	\$1,415,445	\$1,800,251

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(UNAUDITED)

Summary of Statement of Activities

	SEPTEMBER 30, 2019	SEPTEMBER 30, 2020
Governmental Activities:		
Economic Development	\$416,078	\$949,339
Business – Type Activities:		
Services	585,644	665,497
Total Program Revenues	1,001,722	1,614,836
Governmental Expenses	765,258	932,985
Business Expenses	498,303	390,891
Total Expenses	1,263,561	1,323,876
General Revenues:		
Interest Income	38,901	36,004
Bad Debt Recovery		
Total General Revenues	38,901	36,004
Change in Net Position	(222,938)	326,964
Beginning Net Position	1,696,225	1,473,287
Ending Net Position	\$1,473,287	\$1,800,251

The SEMO RPC revenue decreased in the current year. Net position increased by \$326,964, which was attributable primarily to more grant and project income and receivables. The Statement of Net Position is found on Page 8. Page 13 shows the Statement of Revenues, Expenses and Changes in Fund Net position for Proprietary funds which represents a total increase to the Commission for the year of \$245,288.

Capital Asset and Debt Administration

Capital Assets – SEMO RPC's investment in capital assets for its governmental and business-type activities as of September 30, 2020 totals \$750,579 (net of accumulated depreciation, Page 8). These assets include land, buildings, equipment and furniture.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(UNAUDITED)

**SEMO RPC's Capital Assets
(Net of accumulated depreciation)**

	BUSINESS-TYPE ACTIVITIES	
	SEPTEMBER 30, 2019	SEPTEMBER 30, 2020
Land	\$47,668	\$47,668
Buildings	718,024	692,960
Furniture and Equipment	4,674	9,951
Total	\$770,366	\$750,579

Additional information on SEMO RPC's capital assets can be found in footnote 1.F of the Basic Financial Statements.

Long-Term Debt – As of September 30, 2020, SEMO RPC's share of long-term debt amounted to \$287,292 from the joint operation with the Industrial Development Authority of the County of St. Francois, MO.

Revenues, Expenditures and Changes in Fund Balances

Page 11 represents the Statement of Revenues, Expenditures and Changes in Fund Balances for governmental funds of the Commission. The operating revenues presented on Page 11, described as General Fund, includes a planning grant in the amount of \$70,000 from the Economic Development Administration (EDA); a \$123,161 grant from Homeland Security for equipment; \$64,563 from MoDOT for transportation; \$58,714 for Hazard Mitigation Planning; \$562,073 in pass through funding for Diesel Emission Reduction Act funding; \$50,000 from Economic Development Administration (EDA) CARES; \$5,829 from Economic Development Administration (EDA) CARES Revolving Loan; a \$14,000 grant from Delta Regional Authority; and \$34,251 from interest income earned on bank account deposits and from loans made to individuals and businesses participating in the Commission's Revolving Loan Programs. Page 11 reports expenses associated with the EDA planning grant. EDA provides up to 60% of the cost of operating the planning program. Forty percent of the operational costs are provided by the Planning Commission. Other expenses include the cost of operating the Revolving Loan Funds, Homeland Security equipment purchases, Delta Regional Authority planning program, and MoDOT planning program.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
(UNAUDITED)

Budgetary Analysis

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue	\$982,951	\$982,622	(\$31)
Expenses	\$950,170	\$948,625	\$1,545
Revenues Over (Under) Expenses	\$32,421	\$33,997	(\$1,576)

Request for Information

The financial report is designed to provide a general overview of the Southeast Missouri Regional Planning and Economic Development Commission's finances for all those with an interest in them. Questions concerning any of the information provided should be addressed to the Executive Director, Southeast Missouri Regional Planning and Economic Development Commission, P. O. Box 366, Perryville, Missouri, 63775.

BASIC FINANCIAL STATEMENTS

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2020**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Current Assets:			
Cash	\$ -	\$ 531,862	\$ 531,862
Accounts Receivable	5,829	257,586	263,415
Notes Receivable, Net	943,276	-	943,276
Other Receivable	-	-	-
Due From Other Funds	-	86	86
Due From RLF I	-	-	-
Due From RLF III	-	500	500
Restricted Cash	406,920	-	406,920
TOTAL CURRENT ASSETS	1,356,025	790,034	2,146,059
CAPITAL ASSETS			
Land	-	47,668	47,668
Building, Net	-	692,960	692,960
Furniture and Equipment, Net	-	9,951	9,951
TOTAL CAPITAL ASSETS, NET	-	750,579	750,579
OTHER ASSETS			
Notes Receivable	-	-	-
TOTAL ASSETS	1,356,025	1,540,613	2,896,638
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pension	89,600	130,653	220,253
TOTAL DEFERRED OUTFLOWS OF RESOURCES	89,600	130,653	220,253
CURRENT LIABILITIES			
Accounts Payable	-	84,623	84,623
Due From RLF I	-	500	500
Accrued Salaries and Fringe	-	16,692	16,692
Accrued Payroll Taxes	-	1,277	1,277
Accrued Vacation	-	47,423	47,423
Deferred Revenue	-	-	-
Security Deposit Liability	-	10,799	10,799
Current Portion of Long-Term Debt	-	18,426	18,426
TOTAL CURRENT LIABILITIES	-	179,740	179,740
OTHER LIABILITIES			
Net Pension Obligation - LAGERS	261,674	569,344	831,018
Long-Term Debt	-	268,866	268,866
TOTAL LIABILITIES	261,674	1,017,950	1,279,624
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pension	12,563	24,453	37,016
TOTAL DEFERRED INFLOWS OF RESOURCES	12,563	24,453	37,016
NET POSITION			
Net Investment in Capital Assets	-	463,287	463,287
Restricted For:			
Other Purposes	1,171,388	-	1,171,388
Unrestricted	-	165,576	165,576
TOTAL NET POSITION	\$ 1,171,388	\$ 628,863	\$ 1,800,251

See accompanying notes to the basic financial statements.

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

PRIMARY GOVERNMENT	EXPENSES	PROGRAM REVENUES			GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
		FEEES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Economic Development	\$ 932,985	\$ 999	\$ 948,340	\$ -	\$ 16,354	\$ -	\$ 16,354
Business-Type Activities:							
Services	390,891	665,497	-	-	-	274,606	274,606
TOTAL PRIMARY GOVERNMENT	\$ 1,323,876	\$ 666,496	\$ 948,340	\$ -	16,354	274,606	290,960
GENERAL REVENUES							
					33,252	2,752	36,004
					32,070	(32,070)	-
					65,322	(29,318)	36,004
CHANGE IN NET POSITION							
					81,676	245,288	326,964
NET POSITION, OCTOBER 1, 2019							
					1,089,712	383,575	1,473,287
NET POSITION, SEPTEMBER 30, 2020							
					\$ 1,171,388	\$ 628,863	\$ 1,800,251

See accompanying notes to the basic financial statements.

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2020**

	GENERAL FUND
ASSETS	
Accounts Receivable	\$ 5,829
Notes Receivable, Net	943,276
Due From Other Funds	-
Restricted Cash	406,920
TOTAL ASSETS	1,356,025
 LIABILITIES	
Bank Overdraft	-
 FUND BALANCE	
Nonspendable:	-
Spendable:	
Restricted:	
Lending Activities	1,356,025
Unassigned	-
Total Fund Balance	1,356,025
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,356,025
Fund Balance of Governmental Funds	\$ 1,356,025
 Amounts Reported for <i>governmental activities</i> in the statement of net position are different because:	
Differences Due to GASB 68 (Current Year)	(184,637)
Total Net Position of Governmental Activities	\$ 1,171,388

See accompanying notes to the basic financial statements.

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	GENERAL FUND
OPERATING REVENUES	
Federal Funds	\$ 892,511
Federal Funds - CARES Act	55,829
Loan Origination Fee	999
Interest Income	33,252
TOTAL OPERATING REVENUES	982,591
OPERATING EXPENDITURES	
Salaries	207,955
Travel	7,472
Audit	5,009
Contracted Services	3,544
Printing, Maps and Photocopy	6
Publications	794
Supplies	14,409
Postage	103
Rent and Utilities	11,531
Telephone	914
Repairs and Maintenance	1,421
Dues and Conferences	2,856
Insurance	2,254
Homeland Security Equipment Grant	123,161
SCF Marine	562,073
Miscellaneous	6,668
TOTAL OPERATING EXPENDITURES	950,170
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	32,421
OTHER FINANCING SOURCES (USES)	
Operating Transfers In (Out)	32,070
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	64,491
FUND BALANCE, OCTOBER 1, 2019	1,291,534
FUND BALANCE, SEPTEMBER 30, 2020	\$ 1,356,025
Net Change in Fund Balance - Total Governmental Funds	\$ 64,491
Amounts reported for <i>governmental activities</i> in the statement of activities are different because...	
Differences Due to GASB 68 (Current Year)	17,185
Change in net position of governmental activities	\$ 81,676

See accompanying notes to the basic financial statements.

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF NET POSITION - PROPRIETARY FUND
AS OF SEPTEMBER 30, 2020**

	ENTERPRISE FUND
ASSETS	
Cash	\$ 531,862
Accounts Receivable	257,586
Notes Receivable	-
Other Receivable	-
Due From Other Funds	86
Due From RLF I	-
Due From RLF III	500
Land	47,668
Building	1,048,048
Furniture and Equipment	356,250
Less Accumulated Depreciation	(701,387)
TOTAL ASSETS	1,540,613
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	130,653
TOTAL DEFERRED OUTFLOWS OF RESOURCES	130,653
CURRENT LIABILITIES	
Accounts Payable	84,623
Due to RLF I	500
Due to RLF III	-
Due to RLF DRA	-
Accrued Salaries and Fringe	16,692
Accrued Payroll Taxes	1,277
Accrued Vacation	47,423
Deferred Revenue	-
Security Deposit Liability	10,799
Current Portion of Long-Term Debt	18,426
TOTAL CURRENT LIABILITIES	179,740
OTHER LIABILITIES	
Net Pension Obligation - LAGERS	569,344
Long-Term Debt	268,866
TOTAL LIABILITIES	1,017,950
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	24,453
TOTAL DEFERRED INFLOWS OF RESOURCES	24,453
NET POSITION	
Net Investment in Capital Assets	463,287
Unrestricted	165,576
TOTAL NET POSITION	\$ 628,863

See accompanying notes to the basic financial statements.

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	ENTERPRISE FUNDS
OPERATING REVENUES	
State and Local Funds	\$ 13,352
Interest Income	2,752
Dues from Members	109,826
Printing, Maps and Other Services	412,546
Miscellaneous Income	61,306
Rental Income	68,467
	668,249
TOTAL OPERATING REVENUES	
OPERATING EXPENSES	
Salaries and Fringes	203,086
Pension Expense	67,878
Travel and Per Diem	8,520
Audit	7,166
Contracted Services	5,726
Printing and Maps	713
Publications	451
Supplies	4,230
Postage	228
Rent and Utilities	-
Telephone	1,306
Repairs and Maintenance	4,668
Membership and Conference Fees	21,790
Insurance and Bonding	6,296
Depreciation	28,200
Taxes	10,484
Interest	11,776
Miscellaneous	8,373
	390,891
TOTAL OPERATING EXPENSES	
NET OPERATING INCOME (LOSS)	
	277,358
NON-OPERATING REVENUES (EXPENSES)	
Federal Funds	-
Grants	-
Distribution to RPC	-
Loss on Disposal of Capital Assets	-
	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	
	277,358
OPERATING TRANSFERS	
Operating Transfers In (Out)	(32,070)
CHANGE IN NET POSITION	
	245,288
NET POSITION, OCTOBER 1, 2019	
	383,575
NET POSITION, SEPTEMBER 30, 2020	
	\$ 628,863

See accompanying notes to the basic financial statements.

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for Services	\$ 335,380
Other Receipts (Disbursements)	148,654
Payments to Employees	(269,517)
Payments to Suppliers	(147,635)
	66,882
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from investing activities	-
	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(8,414)
Disposal of Capital Assets	150
Proceeds/Payments From/On Debt	(20,066)
Earnings from Investments	2,752
	(25,578)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	
NET INCREASE (DECREASE) IN CASH	41,304
CASH OCTOBER 1, 2019	490,558
CASH SEPTEMBER 30, 2020	\$ 531,862
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Income (Loss)	\$ 245,288
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	28,051
Investing Activities	(2,752)
(Increase) Decrease in Current Assets:	
Accounts and Notes Receivable	(19,217)
Prepaid Expenses	-
Due From Other Funds	27
Deferred Outflows Related to Pension	(30,027)
Increase (Decrease) in Current Liabilities:	
Accounts Payable	(23,716)
Accrued Liabilities	11,143
Security Deposit Liability	-
Deferred Revenue	(162,246)
Deferred Inflows Related to Pension	(54,547)
Net Pension Liability	74,878
	66,882
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 66,882

See accompanying notes to the basic financial statements.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Southeast Missouri Regional Planning and Economic Development Commission (“Commission”) was created under Chapter 251 of the Revised Statutes of the State of Missouri in 1968, to provide coordinated planning services and technical assistance in the seven county area. As such, it is operated by a membership and has representation from county commissions and municipalities, as well as special representation from minorities and low-income persons.

The Commission serves the counties of Bollinger, Cape Girardeau, Iron, Madison, Perry, St. Francois, and Ste. Genevieve and approximately 35 cities therein.

The Commission’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Commission are discussed below.

A. Reporting Entity

The Commission, for financial statement purposes, includes all of the funds relevant to the operations of the Commission. The financial statements presented herein do not include agencies or political subdivisions which have been formed under applicable state laws of separate and distinct units of government apart from the Commission.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (concluded)

Southeast Missouri Council of Governments, Inc., a non-profit corporation, is a blended component unit of the Commission. It is governed by a four-member Board of Directors selected from its total membership. Although legally separate from the Commission, Southeast Missouri Council of Governments, Inc. is reported as if it were part of the primary government because of the oversight responsibility therein.

B. Fund Accounting

The Commission's basic financial statements include both government-wide (reporting the Commission as a whole) and fund financial statements (reporting the Commission's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

In the government-wide Statement of Net Position, the governmental column is presented on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Commission first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Commission's functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs are normally covered by general revenue. The government-wide focus is more on the sustainability of the Commission as an entity and the change in the Commission's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Commission are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures / expenses.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basic Financial Statements – Fund Financial Statements (concluded)

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Commission:

Governmental Fund Types

General Fund

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund Types

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions unless those pronouncements conflict or contradict GASB pronouncements, in which case GASB prevails.

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash.

E. Basis of Accounting

The financial statements are presented using the accrual basis of accounting with the exception of governmental funds, which are presented on the modified accrual basis of accounting. The accrual basis recognizes revenues and associated assets when earned rather than when received and expenses and associated liabilities are recognized when the obligation is incurred rather than when paid. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities (within 60 days).

F. Capital Assets

The Commission records its capital assets in the Proprietary Fund at cost and depreciates the assets using the straight-line method over the estimated useful life. The Commission capitalizes all property with an estimated useful life of three years or longer. A summary of the Proprietary Fund capital assets for the year ended September 30, 2020, follows:

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Capital Assets (concluded)

	October 1, 2019	Additions	Adjustments / Disposals	September 30, 2020
Non-Depreciable Assets:				
Land	\$ 47,668	\$ -	\$ -	\$ 47,668
Depreciable Assets:				
Building	1,048,048	-	-	1,048,048
Furniture and Equipment	347,986	8,414	(150)	356,250
Total Depreciable Assets	1,396,034	8,414	(150)	1,404,298
Accumulated Depreciation	(673,336)	(28,201)	150	(701,387)
Depreciable Assets, Net	\$ 722,698	\$ (19,787)	\$ -	\$ 702,911

Depreciation was charged to functions as follows:

Governmental Activities:	
Economic Development	\$ <u> -</u>
Business-Type Activities:	
Services	\$ <u> 28,201</u>

G. Compensated Absences

Full-time employees are granted vacation benefits in varying amounts up to a specified maximum depending on tenure with the Commission. Unused vacation is payable to the employee upon termination. Total vested and leave at September 30, 2020, amounted to \$47,423.

H. Fair Value of Financial Instruments

The Commission's financial instruments are cash, accounts receivable, notes receivable, and accounts payable. The recorded values of cash, accounts receivable, notes receivable, and accounts payable approximate their fair values based on their short-term nature.

I. Accounts Receivable

The Commission has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Notes Receivable

Notes receivable are a result of loans made by the Commission to individuals and businesses under the Economic Development Administration Revolving Loan Fund Program, the U.S. Department of Housing and Urban Development Community Development Block Grant Program, and the Delta Regional Authority Revolving Loan Program. Most loans are secured with liens on buildings and equipment, receivables, personal guarantees and life insurance policies. The loans bear interest rates of 4.00 to 9.00 percent per annum with varying due dates. Income on loans is recognized on the interest method. Interest income is suspended at the time at which collection of an account becomes doubtful. Interest income on an impaired loan is recognized when cash is collected.

The Commission provides an allowance for uncollectible notes equal to the estimated uncollectible amounts. The Commission's estimate is based on historical collection experience and a review of the current status of revolving loan notes receivable. It is reasonably possible that the Commission's estimate of the allowance for uncollectible notes will change. Notes receivable are presented net of an allowance for uncollectible amounts of \$0 at September 30, 2020.

K. Equity Classification

Government-Wide Statements – Equity is classified as net position and presented in three components:

1. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted Net Position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted Net Position – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the Commission's policy to first use restricted net position prior to using unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Financial Statements – Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Equity Classification (continued)

Fund Financial Statements (continued)

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and pre-pays) or funds that legally or contractually must remain intact. The Commission did not have any non-spendable resources as of September 30, 2020.

Spendable Fund Balance includes resources that are in spendable form and are considered to be available for spending. Spendable Fund Balance can be categorized into the following classifications:

Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance consists of funds that are set aside for a specific purpose by the Commission's Board of Directors. Formal action by vote must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the Commission's Board of Directors or a body or official who has been given the authority to assign funds, such as the Director. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The Commission would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer using these other classified funds.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Equity Classification (concluded)

Fund Financial Statements (concluded)

As of September 30, 2020, fund balance components other than unassigned fund balances, consist of the following:

	<u>Non-spendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund	\$ -	\$ 1,356,025	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ 1,356,025</u>	<u>\$ -</u>	<u>\$ -</u>

L. Revenues, Expenditures and Expenses

Program Revenues

In the Statement of Activities, revenues that are derived directly from an activity are reported as program revenues. The Commission has the following program revenues:

1. Economic Development
2. Federal Grants

All other governmental revenues are reported as general.

Operating Revenue and Expenses

Operating revenue and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

M. Internal and Inter-fund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

M. Internal and Inter-fund Balances and Activities (concluded)

Fund Financial Statements

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund Loans – Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund Services – Sales or purchases of goods and services between funds are reported as revenues and expenditures / expenses.
3. Interfund Reimbursements – Repayments from funds responsible for certain expenditures / expenses to the funds that initially paid for them are not reported as reimbursements, but as adjustments to expenditures / expenses in the respective funds.
4. Interfund Transfers – Flow of assets from one fund to another where repayment that is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal Balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal Activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

II. CASH AND INVESTMENTS

The Commission is governed by the deposit and investment limitations of state law.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At September 30, 2020, the carrying amounts of the Commission's deposits and investments were \$938,782. The bank balance was \$948,576. Of the bank balance, \$632,094 was covered by federal depository insurance and \$316,482 was covered by collateral held at the Commission's safekeeping bank agent, in the Commission's name and covered by permitted investments under the agreement.

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Commission's deposit policy for custodial credit risk requires compliance with the provisions of state law. State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri. The balances of the Commission's deposits are sufficiently collateralized.

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Commission's investment policy does not include custodial credit risk requirements. The Commission's deposits were not exposed to custodial credit risk at year end.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the Commission or its agent but not in the government's name. The Commission does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the Commission or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

The Commission has no policy in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. There were no investments as of September 30, 2020.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

II. CASH AND INVESTMENTS (concluded)

Investment Interest Rate Risk (concluded)

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the Commission for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

The Commission does not have policies in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

III. NOTES RECEIVABLE

General Fund:

Governmental receivables consist of revolving loan receivables under the Economic Development Administration Revolving Loan Fund Program, the U.S. Department of Housing and Urban Development Community Development Block Grant program, and the Delta Regional Authority Revolving Loan Program. These notes receivable are to be collected over the next five to fifteen years.

Enterprise Funds:

Administration contract receivables consist of receivables for payment of services under various administration contracts. All amounts are expected to be collected within the next year. Due to the history and certainty of the Commission's receivables, no reserve for bad debt has been established related to these receivables.

IV. COMPONENTS OF RESTRICTED ASSETS

All assets and liabilities recorded in the General Fund represent activity related to the state and federal programs. The use of these assets is restricted by the grant agreements therein.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

V. RELATED PARTY LEASE COMMITMENT

The Commission entered into a lease with Southeast Missouri Council of Governments, Inc. (a related party through common control) on June 23, 1981. Southeast Missouri Council of Governments, Inc. is a not-for-profit corporation that was established for the purpose of providing a building for the Commission.

The lease is renewed annually. The annual rent is \$18,000.

Under this lease agreement, the Corporation provides for major maintenance and renovation of the building. The Commission is responsible for all other costs of occupancy.

VI. COST ALLOCATION PLAN

The Commission adopted a cost allocation plan at the beginning of Fiscal Year 1990. Costs are allocated monthly to each program based on a variable rate per hour that is computed by dividing all direct hours worked during the month into all indirect charges for that month.

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Southeast Missouri Regional Planning and Economic Development Commission's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Southeast Missouri Regional Planning and Economic Development Commission participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee retirement plan established in 1967 and is administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	1
Active employees	6
	14
	14

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rate is 22.80% (General) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020.

Actuarial Assumptions

The total pension liability in the February 29, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division
A. Total Pension Liability	
1 Service Cost	\$ 32,072
2 Interest on Total Pension Liability	177,094
3 Changes of Benefit Terms	-
4 Difference between expected and actual experience of the Total Pension Liability	70,169
5 Changes of Assumptions	-
6 Benefit payments, including refunds of employee contributions	(257,568)
7 Net change in total pension liability	21,767
8 Total pension liability - beginning	2,553,451
9 Total pension liability - ending	\$ 2,575,218
 B. Plan Fiduciary Net Position	
1 Contributions - employer	\$ 79,774
2 Contributions - employee	-
3 Net investment income	26,948
4 Benefit payments, including refunds of employee contributions	(257,568)
5 Pension plan administrative expense	(1,882)
6 Other (net transfer)	68,692
7 Net change in plan fiduciary net position	(84,036)
8 Plan fiduciary net position - beginning	1,854,759
9 Plan fiduciary net position - ending	\$ 1,770,723
 C. Net Pension Liability / (Asset)	\$ 804,495
 D. Plan Fiduciary Net Pension as a percentage of the Total Pension Liability	68.76%
 E. Covered-employee payroll	\$ 328,103
 F. Net pension liability as a percentage of covered employee payroll	245.20%

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 2,893,082	\$ 2,575,218	\$ 2,311,360
Plan Fiduciary Net Position	1,770,723	1,770,723	1,770,723
Net Pension Liability / (Asset) (NPL)	<u>\$ 1,122,359</u>	<u>\$ 804,495</u>	<u>\$ 540,637</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the employer recognized pension expense of \$63,256. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 116,213	\$ (34,552)
Changes in assumptions	18,785	-
Net difference between projected and actual earnings on pension plan investments	31,741	-
Employer contributions subsequent to the measurement date	-	-
Other adjustments	-	-
Total	<u>\$ 166,739</u>	<u>\$ (34,552)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2020.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

Year Ending June 30,	Net Deferred Outflows of Resources - General
2021	\$ 28,720
2022	11,496
2023	38,561
2024	42,022
2025	11,388
Thereafter	-
Total	<u>\$ 132,187</u>

VIII. RISK OF LOSS

The Commission is at a risk of loss due to fire, theft, earthquake, injury to employees or others, or malfeasance. To overcome these risks, the Commission purchases commercial insurance. There has been no reduction in coverage from the previous year.

IX. DEBT

Southeast Missouri Regional Planning and Economic Development Commission (“Commission”) and St. Francois County Industrial Development Authority (“Authority”) entered into a partnership agreement to acquire and lease real estate to promote industrial development within the industrial park at Bonne Terre, Missouri.

The Secondary Facilities fund acquired debt in October 2007 to acquire and lease real estate to promote industrial development within the industrial park at Bonne Terre, MO. During the 2017 fiscal year, the Secondary Facilities acquired a \$725,000 loan to payoff existing loan agreement with First State Community Bank and to lend money to the Industrial Development Authority of St. Francois, Missouri. The monthly payment is \$5,981.49 and the maturity date is November 7, 2032. The Commission has provided additional security for the loan.

The loan liability and all other assets, liabilities, revenues, and expenses of the partnership are split equally between the Commission and the Authority.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

IX. DEBT (concluded)

The following is a schedule of debt payments for the year ended September 30, 2020:

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020	Interest
Construction Loan	\$ 307,358	\$ -	\$ 20,066	\$ 287,292	\$ 11,776
Total	<u>\$ 307,358</u>	<u>\$ -</u>	<u>\$ 20,066</u>	<u>\$ 287,292</u>	<u>\$ 11,776</u>

The following is a schedule of the debt and future debt payments of the Commission:

The Future Years Ending September 30,	Principal	Interest	Total Payments
2021	\$ 18,426	\$ 11,761	\$ 30,187
2022	19,298	10,889	30,187
2023	20,122	10,066	30,188
2024	20,955	9,232	30,187
2025	21,875	8,312	30,187
2026-2030	124,191	26,747	150,938
2031-2033	62,425	2,982	65,407
Total	<u>\$ 287,292</u>	<u>\$ 79,989</u>	<u>\$ 367,281</u>

X. LEASES

In December 2017, the Commission entered into an operating lease for a copier. The payment terms are \$265 for 60 months. The Commission paid \$3,180 for the year ended September 30, 2020. Future payments are as follows: \$3,180 for FY21, \$3,180 for FY22 and \$795 for FY23.

XI CONTINGENCIES

The Commission receives federal grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursements or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The Commission is not aware of any noncompliance with federal or state provisions that might require the Commission to provide reimbursement.

During the course of ordinary operations, the Commission is subject to various lawsuits. Current pending litigation matters result from default on loans the Commission is trying to collect.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

XII. INTERFUND TRANSFERS

The following is a summary of the amounts transferred from and to other funds:

		Transfers In		Transfers Out
General Fund	\$	32,070	\$	-
Enterprise Funds		-		32,070
	\$	32,070	\$	32,070

Transfers and payments within the reporting entity are substantially for the purpose of matching federal funds.

XIII. SUBSEQUENT EVENTS

In November 2020, the IDA/RPC joint account sold a vacant piece of land for \$50,000.

XIV. NEW UPCOMING PRONCEMENTS

GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. This Statement is effective for periods beginning after June 15, 2021.

GASB Statement No. 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for periods beginning after December 15, 2020.

GASB Statement No. 90 – Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for periods beginning after December 15, 2019.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

XIV. NEW UPCOMING PROUNCEMENTS (concluded)

GASB Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for periods beginning after December 15, 2021.

GASB Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). The removal of the London Interbank Offered Rate as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for reporting periods beginning after June 15, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - OVER (UNDER)
	ORIGINAL	FINAL		
OPERATING REVENUES				
Federal Funds	\$ 930,838	\$ 892,509	\$ 892,511	\$ 2
Federal Funds - CARES Act	-	55,863	55,829	(34)
Loan Origination Fee	-	999	999	-
Interest Income	-	33,251	33,252	1
TOTAL OPERATING REVENUES	930,838	982,622	982,591	(31)
OPERATING EXPENDITURES				
Salaries	134,551	207,955	207,955	-
Travel	7,023	7,470	7,472	2
Audit	3,000	5,010	5,009	(1)
Contracted Services	2,218	3,588	3,544	(44)
Printing and Maps	241	335	6	(329)
Publications	1,046	463	794	331
Supplies	3,684	14,411	14,409	(2)
Postage	246	103	103	-
Rent and Utilities	10,226	11,532	11,531	(1)
Telephone	882	913	914	1
Repairs and Maintenance	419	1,420	1,421	1
Dues and Conferences	3,203	2,856	2,856	-
Insurance	1,725	2,255	2,254	(1)
Homeland Security Equipment Grant	221,079	123,161	123,161	-
SCF Marine	489,203	562,073	562,073	-
Miscellaneous	246	5,080	6,668	1,588
TOTAL OPERATING EXPENDITURES	878,992	948,625	950,170	1,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 51,846	\$ 33,997	32,421	\$ (1,576)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In (Out)			32,070	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES			64,491	
FUND BALANCE, OCTOBER 1, 2019			1,291,534	
FUND BALANCE, SEPTEMBER 30, 2020			\$ 1,356,025	

See accompanying notes to the budgetary comparison schedule.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. BUDGETARY INFORMATION

In accordance with state statute, the Commission prepares and approves an annual budget reflecting the costs of its operations and services to the local governmental units within the region. It is the practice of the Commission to prepare its budget on an accrual basis of accounting in accordance with generally accepted accounting principles. The budget was originally adopted on September 24, 2019.

Actual expenditures of the General Fund exceeded those budgeted in the amount of \$1,545.

Southeast Missouri Regional Planning and Economic Development Commission
Schedule of Changes in Net Pension Liability and Related Ratios
As of September 30, 2020

<i>Fiscal year ending June 30,</i>	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 32,072	\$ 32,028	\$ 34,890	\$ 38,550	\$ 34,692	\$ 33,706
Interest on the Total Pension Liability	177,094	171,688	171,584	169,911	148,681	140,343
Changes of Benefit Terms	-	-	-	-	-	-
Difference between expected and actual experience	70,169	63,268	(35,621)	(44,766)	76,724	28,500
Assumption Changes	-	-	-	-	105,310	-
Benefit Payments	(257,568)	(129,545)	(205,165)	(74,772)	(74,163)	(101,422)
Refunds	-	-	-	-	-	-
Net Change in Total Pension Liability	21,767	137,439	(34,312)	88,923	291,244	101,127
Total Pension Liability beginning	2,553,451	2,416,012	2,450,324	2,361,401	2,070,157	1,969,030
Total Pension Liability ending	\$ 2,575,218	\$ 2,553,451	\$ 2,416,012	\$ 2,450,324	\$ 2,361,401	\$ 2,070,157
Plan Fiduciary Net Position						
Contributions-employer	\$ 79,774	\$ 98,805	\$ 103,534	\$ 107,729	\$ 103,532	\$ 104,001
Contributions-employee	-	-	-	-	-	-
Net investment income	26,948	110,212	235,103	162,449	(1,422)	34,773
Benefit Payments	(257,568)	(129,545)	(205,165)	(74,772)	(74,163)	(101,422)
Refunds	-	-	-	-	-	-
Pension Plan Administrative expense	(1,882)	(1,690)	(1,280)	(1,180)	(1,178)	(1,305)
Other	68,692	29,668	18,343	9,661	22,171	(30,265)
Net Change in Plan Fiduciary Net Position	(84,036)	107,450	150,535	203,887	48,940	5,782
Plan Fiduciary Net Position beginning	1,854,759	1,747,309	1,596,774	1,392,887	1,343,947	1,338,165
Plan Fiduciary Net Position ending	\$ 1,770,723	\$ 1,854,759	\$ 1,747,309	\$ 1,596,774	\$ 1,392,887	\$ 1,343,947
Net Pension Liability/(Asset)	\$ 804,495	\$ 698,692	\$ 668,703	\$ 853,550	\$ 968,514	\$ 726,210
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.76%	72.64%	72.32%	65.17%	58.99%	64.92%
Covered-Employee Payroll	\$ 328,103	\$ 462,338	\$ 441,038	\$ 533,189	\$ 521,007	\$ 424,404
Net Pension Liability as a percentage of covered employee payroll	245.20%	151.12%	151.62%	160.08%	185.89%	171.11%

Notes to schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**SOUTHEAST MISSOURI REGIONAL PLANNING AND ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF CONTRIBUTIONS
AS OF SEPTEMBER 30, 2020**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$84,566	\$95,102	\$105,706	\$134,508	\$101,941	\$107,814	\$99,130	\$103,502	\$109,167	\$106,621
Contributions in relation to the actuarially determined contribution	75,317	95,102	100,515	109,659	101,941	106,295	99,130	103,502	109,167	106,621
Contribution deficiency (excess)	\$9,249	\$0	\$5,191	\$24,849	\$0	\$1,519	\$0	\$0	\$0	\$0
Covered payroll	\$330,337	\$436,247	\$471,901	\$540,191	\$528,190	\$506,167	\$495,652	\$474,781	\$505,403	\$480,276
Contributions as a percentage of covered-employee payroll	22.80%	21.80%	21.30%	20.30%	19.30%	21.00%	20.00%	21.80%	21.60%	22.20%

SUPPLEMENTARY INFORMATION

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
COMBINING BALANCE SHEET - GENERAL FUND
AS OF SEPTEMBER 30, 2020

	<u>CARES RLF</u>	<u>CARES EDA</u>	<u>EDA 2019</u>	<u>EDA 2020</u>	<u>EDA INTEREST</u>	<u>CDBG RLF</u>	<u>EDA REVOLVING LOAN FUND #1</u>
ASSETS							
Accounts Receivable	\$ 5,829.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Receivable, Net	-	-	-	-	-	16,896.00	228,560.00
Restricted Cash	-	44,913	-	26,816	-	106,125	36,678
Accounts Receivable	-	-	-	-	-	-	-
TOTAL ASSETS	<u>5,829</u>	<u>44,913</u>	<u>-</u>	<u>26,816</u>	<u>-</u>	<u>123,021</u>	<u>265,238</u>
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts Payable	-	-	-	-	-	-	-
Fund Balance							
Restricted Fund Balance	5,829	44,913	-	26,816	-	123,021	265,238
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,829</u>	<u>\$ 44,913</u>	<u>\$ -</u>	<u>\$ 26,816</u>	<u>\$ -</u>	<u>\$ 123,021</u>	<u>\$ 265,238</u>

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
COMBINING BALANCE SHEET - GENERAL FUND
AS OF SEPTEMBER 30, 2020

	<u>EDA REVOLVING LOAN FUND #2</u>	<u>EDA REVOLVING LOAN FUND #3</u>	<u>DRA REVOLVING LOAN FUND</u>	<u>DELTA REGIONAL AUTHORITY</u>	<u>HAZARD MITIGATION</u>	<u>HSOC-E EQUIPMENT</u>	<u>CAPE CO DERA PROJECT</u>
ASSETS							
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Receivable, Net	201,038.00	421,759.00	75,023.00	-	-	-	-
Restricted Cash	23,298	58,723	110,367	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-
TOTAL ASSETS	<u>224,336</u>	<u>480,482</u>	<u>185,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts Payable	-	-	-	-	-	-	-
Fund Balance							
Restricted Fund Balance	224,336	480,482	185,390	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 224,336</u>	<u>\$ 480,482</u>	<u>\$ 185,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
COMBINING BALANCE SHEET - GENERAL FUND
AS OF SEPTEMBER 30, 2020

	<u>STE. GENEVIEVE COUNTY DERA</u>	<u>OSAGE MARINE DERA</u>	<u>MISSISSIPPI LIME DERA PROJECT</u>	<u>MODOT TRANSP. FY 20</u>	<u>MODOT TRANSP. FY 21</u>	<u>TOTAL</u>
ASSETS						
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,829
Notes Receivable, Net	-	-	-	-	-	943,276.00
Restricted Cash	-	-	-	-	-	406,920
Accounts Receivable	-	-	-	-	-	-
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,356,025</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts Payable	-	-	-	-	-	-
Fund Balance						
Restricted Fund Balance	-	-	-	-	-	1,356,025
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,356,025</u>

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	CARES RLF	CARES EDA	EDA 2019	EDA 2020	EDA INTEREST	CDBG RLF	EDA REVOLVING LOAN FUND #1
OPERATING REVENUES							
Federal Funds	\$ -	\$ -	\$ 17,500	\$ 52,500	\$ -	\$ -	\$ -
Federal Funds - CARES Act	5,829	50,000	-	-	-	-	-
Loan Origination Fee	-	-	-	-	-	-	500
Interest Income	-	-	-	-	63	1,465	8,498
TOTAL OPERATING REVENUES	5,829	50,000	17,500	52,500	63	1,465	8,998
OPERATING EXPENDITURES							
Salaries	4,746	4,352	18,416	52,202	-	1,772	7,748
Travel	4	38	1,279	2,340	-	8	15
Audit	106	96	432	1,121	-	63	255
Contracted Services	18	15	38	971	-	77	393
Printing, Maps and Photocopy	3	3	-	-	-	-	-
Publications	2	2	60	187	-	14	56
Supplies	299	236	631	921	-	98	216
Postage	1	2	6	21	-	1	7
Rent and Utilities	265	233	1,015	2,535	-	145	570
Telephone	19	17	77	206	-	11	47
Repairs and Maintenance	56	51	132	300	-	19	74
Dues and Conferences	304	37	291	1,293	-	14	46
Insurance	-	-	646	123	-	29	48
Equipment / Pass-Through Program	-	-	-	-	-	-	-
DERA - Equipment	-	-	-	-	-	-	-
Miscellaneous	6	5	55	89	-	5	194
TOTAL OPERATING EXPENDITURES	5,829	5,087	23,078	62,309	-	2,256	9,669
NET INCOME (LOSS)	-	44,913	(5,578)	(9,809)	63	(791)	(671)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In (Out)	5,829	-	5,578	26,457	(63)	509	(4,112)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	5,829	44,913	-	16,648	-	(282)	(4,783)
FUND BALANCE, OCTOBER 1, 2019	-	-	-	10,168	-	123,303	270,021
FUND BALANCE, SEPTEMBER 30, 2020	\$ 5,829	\$ 44,913	\$ -	\$ 26,816	\$ -	\$ 123,021	\$ 265,238

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	EDA REVOLVING LOAN FUND #2	EDA REVOLVING LOAN FUND #3	DRA REVOLVING LOAN FUND	DELTA REGIONAL AUTHORITY	HAZARD MITIGATION	HSOC-E EQUIPMENT	CAPE CO DERA PROJECT
OPERATING REVENUES							
Federal Funds	\$ -	\$ -	\$ -	\$ 14,000	\$ 58,714	\$ 123,161	\$ 43,104
Federal Funds - CARES Act	-	-	-	-	-	-	-
Loan Origination Fee	499	-	-	-	-	-	-
Interest Income	4,979	15,069	3,178	-	-	-	-
TOTAL OPERATING REVENUES	5,478	15,069	3,178	14,000	58,714	123,161	43,104
OPERATING EXPENDITURES							
Salaries	4,877	11,925	3,598	9,761	26,683	-	-
Travel	20	50	5	53	240	-	-
Audit	167	360	120	254	590	-	-
Contracted Services	176	236	159	339	141	-	-
Printing, Maps and Photocopy	-	-	-	-	-	-	-
Publications	35	55	25	47	76	-	-
Supplies	236	595	222	288	1,149	-	-
Postage	5	5	2	3	13	-	-
Rent and Utilities	372	843	270	565	1,404	-	-
Telephone	31	65	22	48	107	-	-
Repairs and Maintenance	61	80	34	64	117	-	-
Dues and Conferences	46	150	28	82	172	-	-
Insurance	14	208	37	25	636	-	-
Equipment / Pass-Through Program	-	-	-	-	-	123,161	-
DERA - Equipment	-	-	-	-	-	-	43,104
Miscellaneous	23	758	6	22	4,790	-	-
TOTAL OPERATING EXPENDITURES	6,063	15,330	4,528	11,551	36,118	123,161	43,104
NET INCOME (LOSS)	(585)	(261)	(1,350)	2,449	22,596	-	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In (Out)	811	1,414	2,137	(2,449)	(22,596)	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	226	1,153	787	-	-	-	-
FUND BALANCE, OCTOBER 1, 2019	224,110	479,329	184,603	-	-	-	-
FUND BALANCE, SEPTEMBER 30, 2020	\$ 224,336	\$ 480,482	\$ 185,390	\$ -	\$ -	\$ -	\$ -

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	STE. GENEVIEVE COUNTY DERA	OSAGE MARINE DERA	MISSISSIPPI LIME DERA PROJECT	MODOT TRANSP. FY 20	MODOT TRANSP. FY 21	TOTAL
OPERATING REVENUES						
Federal Funds	\$ 41,250	\$ 365,545	\$ 112,174	\$ 49,342	\$ 15,221	\$ 892,511
Federal Funds - CARES Act	-	-	-	-	-	55,829
Loan Origination Fee	-	-	-	-	-	999
Interest Income	-	-	-	-	-	33,252
TOTAL OPERATING REVENUES	41,250	365,545	112,174	49,342	15,221	982,591
OPERATING EXPENDITURES						
Salaries	-	-	-	45,888	15,987	207,955
Travel	-	-	-	3,225	195	7,472
Audit	-	-	-	1,067	378	5,009
Contracted Services	-	-	-	926	55	3,544
Printing, Maps and Photocopy	-	-	-	-	-	6
Publications	-	-	-	212	23	794
Supplies	-	-	-	8,474	1,044	14,409
Postage	-	-	-	31	6	103
Rent and Utilities	-	-	-	2,396	918	11,531
Telephone	-	-	-	196	68	914
Repairs and Maintenance	-	-	-	234	199	1,421
Dues and Conferences	-	-	-	380	13	2,856
Insurance	-	-	-	488	-	2,254
Equipment / Pass-Through Program	-	-	-	-	-	123,161
DERA - Equipment	41,250	365,545	112,174	-	-	562,073
Miscellaneous	-	-	-	695	20	6,668
TOTAL OPERATING EXPENDITURES	41,250	365,545	112,174	64,212	18,906	950,170
NET INCOME (LOSS)	-	-	-	(14,870)	(3,685)	32,421
OTHER FINANCING SOURCES (USES)						
Operating Transfers In (Out)	-	-	-	14,870	3,685	32,070
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-	-	64,491
FUND BALANCE, OCTOBER 1, 2019	-	-	-	-	-	1,291,534
FUND BALANCE, SEPTEMBER 30, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,356,025

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS AND COMPONENT UNIT
AS OF SEPTEMBER 30, 2020**

	SEMO COUNCIL OF GOVERNMENTS, INC. (A COMPONENT UNIT)	ENTERPRISE FUNDS	SECONDARY FACILITIES	ELIMINATION	TOTAL ENTERPRISE FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 15,241	\$ 255,142	\$ 261,479	\$ -	\$ 531,862
Accounts Receivable	-	257,586	-	-	257,586
Notes Receivable	-	-	-	-	-
Other Receivable	-	-	-	-	-
Due From Other Funds	-	86	-	-	86
Due From RLF I	-	-	-	-	-
Due From RLF III	-	500	-	-	500
Land	10,110	-	37,558	-	47,668
Building	186,405	-	861,643	-	1,048,048
Furniture and Equipment	14,660	341,590	-	-	356,250
Less Accumulated Depreciation	(185,861)	(331,639)	(183,887)	-	(701,387)
TOTAL ASSETS	40,555	523,265	976,793	-	1,540,613
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to Pension	-	130,653	-	-	130,653
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	130,653	-	-	130,653
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	375	84,248	-	-	84,623
Due to RLF I	-	500	-	-	500
Due to RLF III	-	-	-	-	-
Due to RLF DRA	-	-	-	-	-
Accrued Salaries and Fringe	-	16,692	-	-	16,692
Accrued Payroll Taxes	-	1,277	-	-	1,277
Accrued Vacation	-	47,423	-	-	47,423
Deferred Revenue	-	-	-	-	-
Security Deposit Liability	-	-	10,799	-	10,799
Current Portion of Long-Term Debt	-	-	18,426	-	18,426
TOTAL CURRENT LIABILITIES	375	150,140	29,225	-	179,740
LONG-TERM LIABILITIES					
Net Pension Obligation - LAGERS	-	569,344	-	-	569,344
Long-Term Liabilities	-	-	268,866	-	268,866
TOTAL LIABILITIES	375	719,484	298,091	-	1,017,950
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows Related to Pension	-	24,453	-	-	24,453
TOTAL DEFERRED INFLOWS OF RESOURCES	-	24,453	-	-	24,453
NET POSITION					
Unrestricted Net Position	40,180	(90,019)	678,702	-	628,863
TOTAL NET POSITION	\$ 40,180	\$ (90,019)	\$ 678,702	\$ -	\$ 628,863

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION -
ENTERPRISE FUNDS AND COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	SEMO COUNCIL OF GOVERNMENTS, INC. (A COMPONENT UNIT)	ENTERPRISE FUNDS	SECONDARY FACILITIES	ELIMINATION	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES					
State and Local Funds	\$ -	\$ 13,352	\$ -	\$ -	\$ 13,352
Interest Income	61	1,326	1,365	-	2,752
Dues from Members	-	109,826	-	-	109,826
Printing, Maps and Other Services	-	417,893	-	(5,347)	412,546
Miscellaneous Income	-	7	59,856	1,443	61,306
Rental Income	18,000	-	68,467	(18,000)	68,467
TOTAL OPERATING REVENUES	18,061	542,404	129,688	(21,904)	668,249
OPERATING EXPENSES					
Salaries and Fringes	-	203,086	-	-	203,086
Pension Expense	-	67,878	-	-	67,878
Travel and Per Diem	-	8,520	-	-	8,520
Audit	-	7,166	-	-	7,166
Contracted Services	-	5,726	-	-	5,726
Printing, Maps and Photocopy	-	713	-	-	713
Publications	-	451	-	-	451
Supplies	-	4,230	-	-	4,230
Postage	-	228	-	-	228
Rent and Utilities	-	16,557	-	(16,557)	-
Telephone	-	1,306	-	-	1,306
Repairs and Maintenance	462	2,062	2,144	-	4,668
Membership and Conference Fees	-	21,790	-	-	21,790
Insurance	5,100	1,196	-	-	6,296
Depreciation	3,736	2,923	21,541	-	28,200
Taxes	-	-	10,484	-	10,484
Interest	-	-	11,776	-	11,776
Miscellaneous	5,347	1,550	6,823	(5,347)	8,373
TOTAL OPERATING EXPENSES	14,645	345,382	52,768	(21,904)	390,891
NET OPERATING INCOME (LOSS)	3,416	197,022	76,920	-	277,358
NON-OPERATING REVENUES (EXPENSES)					
Federal Funds	-	-	-	-	-
Capital Grants	-	-	-	-	-
Loss on Disposal of Capital Assets	-	-	-	-	-
Distribution to RPC	-	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	-	-	-	-
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	3,416	197,022	76,920	-	277,358
OPERATING TRANSFERS					
Operating Transfers In (Out)	-	(32,070)	-	-	(32,070)
CHANGE IN NET POSITION	3,416	164,952	76,920	-	245,288
NET POSITION, OCTOBER 1, 2019	36,764	(254,971)	601,782	-	383,575
NET POSITION, SEPTEMBER 30, 2020	\$ 40,180	\$ (90,019)	\$ 678,702	\$ -	\$ 628,863

FEDERAL COMPLIANCE SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To The Board of Directors
Southeast Missouri Regional Planning
and Economic Development Commission
Perryville, Missouri

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the blended component unit and each major fund of Southeast Missouri Regional Planning and Economic Development Commission ("Commission"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated July 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 14, 2021



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Directors
Southeast Missouri Regional Planning
and Economic Development Commission
Perryville, Missouri

Report on Compliance for Each Major Federal Program

We have audited Southeast Missouri Regional Planning and Economic Development Commission's ("Commission") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended September 30, 2020. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, Southeast Missouri Regional Planning and Economic Development Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 14, 2021

**SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF COMMERCE</u>				
Direct Program:				
Economic Development Support for Planning Organizations	11.302	05-83-05324 EDA/19	\$ -	\$ 12,913
Economic Development Support for Planning Organizations Subtotal CFDA# 11.302	11.302	05-83-05324 EDA/20	-	<u>37,744</u>
			-	50,657
Economic Development Cluster:				
Economic Adjustment Assistance (CARES) RLF	11.307	N/A	-	5,863
Economic Adjustment Assistance (CARES) EDA	11.307	N/A	-	5,117
Economic Adjustment Assistance	11.307	N/A	-	<u>788,067</u>
Total Economic Development Cluster			-	<u>799,047</u>
Total Expenditures for U.S. Department of Commerce			-	849,704
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed-Through Missouri Department of Transportation				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	SPR-2027S-PL-19-20	-	49,343
Highway Planning and Construction	20.205	SPR-2127S-PL-20-21	-	<u>15,221</u>
Total Expenditures for U.S. Department of Transportation and Highway Planning and Construction Cluster			-	64,564
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
Direct Program:				
National Clean Diesel Emissions Reduction Program	66.039	DE-97769901-0	43,104	43,104
National Clean Diesel Emissions Reduction Program	66.039	DE-97769901-0	41,250	41,250
National Clean Diesel Emissions Reduction Program	66.039	DE-97766601-0-DE	365,545	365,545
National Clean Diesel Emissions Reduction Program	66.039	DE-97769701-0-DE	<u>112,174</u>	<u>112,174</u>
Total Expenditures for the U.S. Environmental Protection Agency			562,073	562,073
<u>DELTA REGIONAL AUTHORITY</u>				
Direct Program:				
Delta Local Development District Assistance	90.202	N/A	-	11,700
Total Expenditures for Delta Regional Authority			-	11,700
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed-Through Missouri Emergency Management Agency				
Homeland Security Grant Program	97.067	EMW-2017-SS-00047	-	4,597
Homeland Security Grant Program	97.067	EMW-2018-SS-00044	-	24,157
Homeland Security Grant Program	97.067	EMW-2019-SS-00039	-	<u>94,406</u>
Subtotal Homeland Security Grant			-	123,160
Passed-Through Missouri Emergency Management Agency				
Hazard Mitigation Grant Program-Perry Co	97.039	N/A	-	3,517
Hazard Mitigation Grant Program-Bollinger Co	97.039	N/A	-	9,718
Hazard Mitigation Grant Program-Ste. Genevieve Co	97.039	N/A	-	<u>9,765</u>
Subtotal Hazard Mitigation Grant Program			-	<u>23,000</u>
Total Expenditures for U.S. Department of Homeland Security			-	146,160
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 562,073	\$ 1,634,201

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Southeast Missouri Regional Planning and Economic Development Commission under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Southeast Missouri Regional Planning and Economic Development Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Southeast Missouri Regional Planning and Economic Development Commission.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

C. Indirect Cost Rate

The Commission has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

D. Sub-Recipients

The National Clean Diesel Emissions Reduction Program (CFDA# 66.039) was passed through to subrecipients in the amount of \$562,073.

E. Non-Cash Programs

The Commission did not receive any non-cash revenues during the year ended September 30, 2020.

F. Other

The Commission did not have federal insurance in effect during the year or have federal loan guarantees outstanding at year end.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards:

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of Auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

CFDA Numbers

Name of Federal Program

66.039

National Clean Diesel Emissions Reduction Program

Dollar Threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee:

 X Yes _____ No

II. FINANCIAL STATEMENT FINDINGS

No financial statement findings were noted that are required to be reported for the year ended September 30, 2020.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended September 30, 2020.

SOUTHEAST MISSOURI REGIONAL PLANNING
AND ECONOMIC DEVELOPMENT COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

No financial statement findings were noted that are required to be reported for the year ended September 30, 2019.

II. FEDERAL AWARD FINDINGS – PRIOR YEAR

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended September 30, 2019.