

FILED

WHALEY AND ARK SLOUGH DRAINAGE DISTRICT OF
CRAIGHEAD COUNTY

FEB 28 2023

COUNTY & PROBATE COURT CLERK

ANNUAL REPORT FOR FISCAL YEAR ENDING OCTOBER 31, 2022
FOR "TRANSPARENCY" LAW UNDER ACT 359 OF 2022

The Board of Commissioners of Drainage District #19 met in annual session on January 19, 2022, having elected to meet by telephone due to weather and Covid issues.

On motion of Davis, seconded by Watkins, Lester Wilson was reelected President and Chairman, and Charles Frierson as Secretary for the year.

Bank balance on October 31, 2022 was \$9,295.00

Maintenance for the fiscal year involved helicopter spraying costing \$18,750.

Tax delinquences as of January 1, 2023 were \$123.87.

Report prepared February 25, 2023.

I, Charles Frierson, Secretary of the District, affirm that the above is true and correct to the best of my information and belief.



Exhibit "A" is attached.

EXHIBIT "A"

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FEB 28 2023

ANNUAL TAXPAYER TRANSPARENCY IMPROVEMENT DISTRICT REPORT
REQUIRED BY ACA 14-86-2102

COUNTY & PROBATE COURT CLERK

Name of District: Whaley & Ark Slough Drainage District #19

Formation Statute: Formed October 11, 1918, under general drainage law, and Act 487 of the General Acts

Purpose: Construction and continued maintenance of two ditches, main ditch Whaley Slough Ditch, and connecting ditch, Ark Slough Ditch.

Contracts Outstanding: None

Current Indebtedness: None

Outstanding Delinquent Assessments: Available from County Tax Collector, who is the Delinquent Collector for the District.

District Commissioners, name, address and number:

Lester Wilson
96 CR 344
Jonesboro, AR 72401
926 2812

Michael Watkins
8728 Hwy 63 N
Bono, AR 72416
932 6128

Bobby Davis
295 CR 118
Bono, AR 72416
935 8428

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KADE HOLLIDAY
COUNTY & PROBATE COURT CLERK

Annual Meeting: Meetings are not scheduled; are called as needed.

District Assessor: Assessment of benefits was completed on formation of District. No one serves as Assessor thereafter.

Levies of benefits (taxes) are collected and forwarded to the District by the County Tax Collector, or Treasurer; received by the District Secretary, currently Charles Frierson.

Delinquent Penalties are assessed by County officials according to State law requirements.

Assessment computation: Determined initially by a contracted Assessor, or appointed local ones; filed and approved by Court Order with published Notice of Hearing. Flat tax permitted by State law does not require assessor, only Commissioner approval, and Court Order.

Income and Expense report for the most recent fiscal year of October 31st is attached, copied from annual report filed with the County Clerk.

Completed by:

A handwritten signature in black ink, appearing to read "Charles Frierson", written over a horizontal line.

Charles Frierson, Secretary

Dated January 14, 2016

**WHALEY AND ARK SLOUGH DRAINAGE DISTRICT
NO. 19 OF CRAIGHEAD COUNTY ARKANSAS**

**AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

OCTOBER 31, 2022

FILED

FEB 23 2023

COUNTY & PROBATE COURT CLERK

WHALEY AND ARK SLOUGH DRAINAGE DISTRICT
NO. 19 OF CRAIGHEAD COUNTY ARKANSAS

OCTOBER 31, 2022

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dls

despain luther short & company

901 Windover Road | Jonesboro, AR 72401 | 870-932-5401 | 870-972-1141

INDEPENDENT AUDITORS' REPORT

District Commissioners
Whaley and Ark Slough Drainage District No. 19
of Craighead County Arkansas
Jonesboro, Arkansas

OPINION

We have audited the accompanying financial statements of the Whaley and Ark Slough Drainage District No. 19 of Craighead County Arkansas, which comprise the statement of assets, liabilities, and net assets (modified cash basis) as of October 31, 2022, and the related statement of cash receipts, disbursements, and changes in net assets (modified cash basis) for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Whaley and Ark Slough Drainage District No. 19 of Craighead County Arkansas as of October 31, 2022, and its cash receipts, disbursements, and changes in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Whaley and Ark Slough Drainage District No. 19 of Craighead County Arkansas and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BASIS OF ACCOUNTING

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

AUDITORS' RESPONSIBILITY

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Whaley and Ark Slough Drainage District No. 19 of Craighead County Arkansas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Whaley and Ark Slough Drainage District No. 19 of Craighead County Arkansas's ability to continue as a going concern for a reasonable period of time.

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

*Despain, Luther, Short
& Company, CPAs, PA*

Jonesboro, Arkansas
December 16, 2022

WHALEY AND ARK SLOUGH DRAINAGE DISTRICT
NO. 19 OF CRAIGHEAD COUNTY ARKANSAS

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
(MODIFIED CASH BASIS)

OCTOBER 31, 2022

ASSETS

CURRENT ASSETS

CASH

\$ 9,295

TOTAL CURRENT ASSETS

\$ 9,295

NET ASSETS

NET ASSETS

\$ 9,295

SEE NOTES TO FINANCIAL STATEMENTS

WHALEY AND ARK SLOUGH DRAINAGE DISTRICT
NO. 19 OF CRAIGHEAD COUNTY ARKANSAS

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN NET ASSETS
(MODIFIED CASH BASIS)

YEAR ENDED OCTOBER 31, 2022

CASH RECEIPTS	
TAX COLLECTIONS	\$ 6,743
INTEREST INCOME	7
	<u>6,750</u>
CASH DISBURSEMENTS	
LEGAL FEES	1,550
FILING FEE	60
LEVY MAINTENANCE	3,750
PUBLIC NOTICE	0
COMMISSIONER FEES	0
ACCOUNTING FEES	600
	<u>5,960</u>
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	790
NET ASSETS, BEGINNING OF YEAR	<u>8,505</u>
NET ASSETS, END OF YEAR	<u><u>\$ 9,295</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

WHALEY AND ARK SLOUGH DRAINAGE DISTRICT
NO. 19 OF CRAIGHEAD COUNTY ARKANSAS

NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

OCTOBER 31, 2022

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Whaley and Ark Slough Drainage District No. 19 of Craighead County Arkansas (the District) is a governmental district formed to manage and supervise activities related to the drainage ditches within its district.

BASIS OF ACCOUNTING

The District's accounts are maintained on a modified cash basis, and the financial statements reflect only cash received and disbursed. On the modified cash basis, expenditures for certificates of deposit are not treated as expenses but shown as current assets on the statement of assets, liabilities, and net assets. The financial statements are not intended to present the financial position or results of operations in conformity with generally accepted accounting principles.

INCOME TAXES

The District is a non-taxable governmental entity.

NOTE 2: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 16, 2022, the date which the financial statements were available to be issued.