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January 31, 2025

To: Craighead County offices: Clerk, Assessor, Collector and Treasurer

Re: "Transparency Act" for Cache River Drainage District

Please file the enclosed report and attachments. The law provides that you cannot charge a filing fee. It also provides that the County Clerk within 30 days shall forward to the Arkansas Natural Resources Commission and to the Division of Emergency Management a file-marked copy of this report.

I do not require a return of a file-marked copy, but would appreciate a simple acknowledgement of its receipt.

Thank you,



Charles Frierson, Secretary of the District

CACHE RIVER DRAINAGE DISTRICT OF CRAIGHEAD, JACKSON,
AND LAWRENCE COUNTIES ARKANSAS

ANNUAL REPORT FOR FISCAL YEAR ENDING OCTOBER 31, 2024
FOR "TRANSPARENCY LAW" UNDER ACT 359 OF THE
LEGISLATURE OF ARKANSAS

Included in this report as "Item A" is the audit report of Thomas, Speight and Noble for fiscal year ending October 31, 2024. It reflects a final October 31st payment to Hessling Contractors of \$222,000 for maintenance.

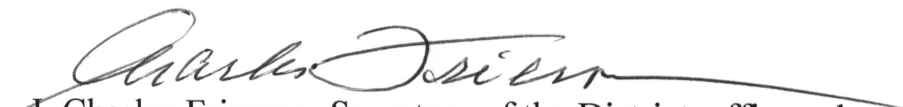
No payment was made on the \$4 million bond issue, since the first annual payment was not due until December 2024.

In the Annual Meeting in January, 2024, Shannon Davis was re-elected Chairman for the for the then current year. Charles Frierson was elected Secretary for that year.

In January, Maurice Watkins resigned from the Board, and Joshua Cureton was appointed to replace him. Mr. Cureton's mailing address is P.O. Box 9; Cash, AR 72421, and phone number 930 5914.

Information about the District in detail can be found in the original filing of the District's first report dated November , 2009.

Report prepared January 30, 2025.


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

ITEM "A"

Cache River Drainage District
Of Craighead, Lawrence, and Jackson Counties Arkansas

Notes to Financial Statements (Modified Cash Basis)

October 31, 2024

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Cache River Drainage District of Craighead, Lawrence, and Jackson Counties 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 12, 2024, the date which the financial statements were available to be issued.

Note 3 – Bond Payable

The District issued an Arkansas Improvement Bond on December 6, 2021, as pursuant of Section 22 of Act No. 279 of the Acts of Arkansas of 1909, as amended, and act No. 203 of the Acts of Arkansas of 1927, as amended.

The District shall be entitled to demand advances under this Bond from time to time for the purpose of paying the costs of the cleaning, deepening and, widening of the District's system of ditches and drains in accordance with the terms of the Loan Instruments, but no more often than monthly, and only after complying with the conditions precedent set forth in the Loan Agreement and the Pledge and Mortgage, up to an aggregate principal balance not to exceed Four Million and 00/100 Dollars (\$4,000,000.00).

The District is to pay all sums advanced to or for the benefit of the District as follows:

- a) On December 6, 2022, December 6, 2023 and December 6, 2024, a payment of accrued interest only calculated on principal advanced and outstanding: and
- b) On December 6, 2025 and on each December 6 thereafter until Maturity, a payment to amortize the Bond over a 15 year period; with a final payment on the Maturity date of December 6, 2036.

Cache River Drainage District
Of Craighead, Lawrence, and Jackson Counties Arkansas

Notes to Financial Statements (Modified Cash Basis)

October 31, 2024

Note 3 – Bond Payable (Continued)

The interest rate is as follows:

- a) From December 6, 2021, until December 5, 2028, is 3.25% per annum;
- b) From December 6, 2028, until December 5, 2031, rate equal to the Wall Street Journal prime rate announced on December 5, 2028;
- c) From December 6, 2031, until December 5, 2036, a rate equal to the Wall Street Journal prime rate announced on December 5, 2031.

Cache River Drainage District
of Craighead, Lawrence, and Jackson Counties Arkansas
Statement of Assets, Liabilities, and Net Assets (Modified Cash Basis)
October 31, 2024

ASSETS

Current Assets

Cash	\$ 1,633,583
Total Current Assets	<u>1,633,583</u>

TOTAL ASSETS \$ 1,633,583

LIABILITIES AND NET ASSETS

Long-term Liabilities

Bond Payable	\$ 4,000,000
Total Long-term Liabilities	<u>4,000,000</u>

TOTAL LIABILITIES 4,000,000

NET ASSETS

Without donor restrictions (2,366,417)

Total net assets (2,366,417)

TOTAL LIABILITIES & NET ASSETS \$ 1,633,583

The accompanying notes are an integral part of these financial statements.

Cache River Drainage District
 of Craighead, Lawrence, and Jackson Counties Arkansas
 Statement of Cash Receipts, Disbursements, and Changes in Net Assets
 (Modified Cash Basis)
 Year Ended October 31, 2024

Cash Receipts	
Tax collections	\$ 538,142
Interest income	2,229
Total cash receipts	540,371
 Cash Disbursements	
Legal fees	2,561
Filing Fees	30
Levy and ditch maintenance	714,795
Public notice	796
Meetings	350
Farm land development	1,500
Interest expense	66,973
Accounting fees	750
Total cash disbursements	787,755
 Excess of Cash Receipts over Cash Disbursements	 (247,384)
 Net assets, beginning of year	 (2,119,033)
 Net assets - end of year	 \$(2,366,417)

The accompanying notes are an integral part of these financial statements.