

FILED

FEB 14 2020

**BUFFALO ISLAND DRAINAGE DISTRICT NO. 9
OF CRAIGHEAD COUNTY ARKANSAS**

**KADE HOLLIDAY
COUNTY & PROBATE COURT CLERK**

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

OCTOBER 31, 2019

BUFFALO ISLAND DRAINAGE DISTRICT NO. 9
OF CRAIGHEAD COUNTY ARKANSAS

OCTOBER 31, 2019

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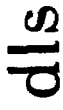
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despain luther short & company

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INDEPENDENT AUDITORS' REPORT

District Commissioners
Buffalo Island Drainage District No. 9
of Craighead County Arkansas
Monette, Arkansas

We have audited the accompanying financial statements of the Buffalo Island Drainage District No. 9 of Craighead County Arkansas, which comprise the statement of assets, liabilities, and net assets (modified cash basis) as of October 31, 2019, 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.

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 responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Buffalo Island Drainage District No. 9 of Craighead County Arkansas as of October 31, 2019, 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 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.

*Despina, Ludwig, Short
& Company, CPA's, PA*

Jonesboro, Arkansas
January 6, 2020

BUFFALO ISLAND DRAINAGE DISTRICT NO. 9
OF CRAIGHEAD COUNTY ARKANSAS

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

OCTOBER 31, 2019

	<u>ASSETS</u>
CURRENT ASSETS	
CASH	\$ 39,140
TOTAL CURRENT ASSETS	<u>\$ 39,140</u>
NET ASSETS	
	<u>\$ 39,140</u>

SEE NOTES TO FINANCIAL STATEMENTS

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BUFFALO ISLAND DRAINAGE DISTRICT NO. 9
OF CRAIGHEAD COUNTY ARKANSAS

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

YEAR ENDED OCTOBER 31, 2019

CASH RECEIPTS	
TAX COLLECTIONS	\$ 122,707
INTEREST INCOME	143
	<u>122,850</u>
CASH DISBURSEMENTS	113,563
MAINTENANCE WORK	159
PUBLIC NOTICE	30
FILING FEES	206
OFFICE SUPPLIES	90
BANK CHARGES	4,776
INSURANCE	250
DUES	1,200
ACCOUNTING FEES	<u>120,274</u>
EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER CASH DISBURSEMENTS	2,576
NET ASSETS, BEGINNING OF YEAR	<u>36,564</u>
NET ASSETS, END OF YEAR	<u>\$ 39,140</u>

SEE NOTES TO FINANCIAL STATEMENTS

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BUFFALO ISLAND DRAINAGE DISTRICT NO. 9
OF CRAIGHEAD COUNTY ARKANSAS

NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

OCTOBER 31, 2019

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The BUFFALO ISLAND DRAINAGE DISTRICT NO. 9 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 accounting principles generally accepted in the United States of America.

INCOME TAXES

The District is a non-taxable governmental entity.

NOTE 2: SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 6, 2020, the date which the financial statements were available to be issued.