

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

AUDITORS' REPORT AND
FINANCIAL STATEMENTS

OCTOBER 31, 2019

FILED

JAN 13 2020

KADE HOLLIDAY
COUNTY & PROBATE COURT CLERK

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

OCTOBER 31, 2019

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dls

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INDEPENDENT AUDITORS' REPORT

District Commissioners
Cache River Drainage District of Craighead,
Lawrence, and Jackson County, Arkansas
Jonesboro, Arkansas

We have audited the accompanying financial statements of the Cache River Drainage District of Craighead, Lawrence, and Jackson 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.

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

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

OCTOBER 31, 2019

ASSETS

CURRENT ASSETS

CASH

\$ 106,514

TOTAL CURRENT ASSETS

\$ 106,514

LIABILITIES AND NET ASSETS

LIABILITIES

NOTE PAYABLE

\$ 100,000

NET ASSETS

6,514

TOTAL LIABILITIES AND NET ASSETS

\$ 106,514

SEE NOTES TO FINANCIAL STATEMENTS

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

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

YEAR ENDED OCTOBER 31, 2019

CASH RECEIPTS	
TAX COLLECTIONS	\$ 83,106
INTEREST INCOME	119
	<u>83,225</u>
CASH DISBURSEMENTS	
LEGAL FEES	3,632
FILING FEES	60
COMMISSIONER FEES	450
PUBLIC NOTICE	146
BANK CHARGES	475
WETLAND MAPPING	1,849
LEVY AND DITCH MAINTENANCE WORK	213,592
ACCOUNTING FEES	575
	<u>220,779</u>
EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS	(137,554)
NET ASSETS, BEGINNING OF YEAR	<u>144,068</u>
NET ASSETS, END OF YEAR	<u>\$ 6,514</u>

SEE NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

OCTOBER 31, 2019

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Cache River Drainage District of Craighead, Lawrence, and Jackson 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 January 8, 2020, the date which the financial statements were available to be issued.

NOTE 3: NOTE PAYABLE

Due January 31, 2024; payable in four annual payments of \$23,835 including interest at 5.7% per annum, one final balloon payment on January 31, 2024.