FILED
JAN 16 2018
KADE HOLLIDAY
COUNTY & PROBATE COURT CLERK

2017 ANNUAL REPORT OF THE BUFFALO ISLAND DRAINAGE DISTRICT No. 9 CRAIGHEAD COUNTY, ARKANSAS

Buffalo Island Drainage District No. 9 of Craighead County, Arkansas, submits its Annual Report as required by Act 386 of 2009 and Act 210 of 2011 of the Arkansas General Assembly (Arkansas Code Annotated Sections 14-86-103(c) and Sections 14-86-2101 – 2105).

District's name: Buffalo Island Drainage District No. 9 of Craighead County, Arkansas;

Formation Statute: The District was formed on August 23, 1999 when Drainage Districts Nos. 12, 17, 18 and 26 of Craighead County, Arkansas, merged with Drainage District No. 9 by Resolution, County Ordinance and Resolution Book 4, Pages 20-30, as provided for by Act 329 of 1999 of the Arkansas General Assembly codified at Arkansas Code Annotated Sections 14-121-1101 – 1110;

The District and its predecessor districts were formed under original Arkansas drainage improvement district law (Act 279 of 1909 as amended by Act 221 of 1911 and Act 177 of 1913 of the Arkansas General Assembly) now codified as part of Arkansas Annotated Code Sections 14-121-101 -- 1110;

Drainage District No. 9 was created on February 19, 1915, by County Court Order, County Court Record Book "M", Pages 77-79;

Drainage District No. 12 was created on August 4, 1914, by County Court Order, County Court Record Book "L", Pages 529-538;

Drainage District No. 17 was created on November 28, 1917, by County Court Order, County Court Record Book "N", Pages 28-29;

Drainage District No. 18 was created on April 25, 1918, by County Court Order, County Court Record Book "N", Pages 98-100; and

Drainage District No. 26 was created on October 20, 1923 by County Court Order, County Court Record Book "O", Pages 253-254.

No. of Parcels: approximately 80,000 acres

Miles of Ditches: approximately 130 miles

Annual Assessment Receipts: approximately $110,000.00

Purpose: The District's predecessor drainage improvement districts nos. 9, 12, 17, 18 and 26 were originally formed to construct and maintain primary drainage ditches for their respective

areas to drain the area known as Buffalo Island in eastern Craighead County, east of the St. Francis River. The District administers annual ditch work to maintain the original ditches.

Description of District: A District map is filed with the County Clerk. The following lands within the District's boundaries which are located to the east of the St. Francis River Levee within Craighead County are more particularly described as:

All of Township 13 North, Range 7 East.

In Township 14 North, Range 6 East of Craighead County, Arkansas:
All of Sections 1, 2, 11, 12, 13, 14 and 24; and
All parts of Sections 3, 10, 15, 23 and 25, lying east of the St. Francis River Levee.

In Township 14 North, Range 7 East of Craighead County, Arkansas:
All of Township 14 North, Range 7 East.

In Township 15 North, Range 6 East of Craighead County, Arkansas:
All of Sections 25 and 36; and
All parts of Sections 24, 26, and 35, lying east of the St. Francis River Levee.

In Township 15 North, Range 7 East of Craighead County, Arkansas:
All of Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36; and
All parts of Sections 6, 7, and 18, lying east of the St. Francis River Levee.

In Township 16 North, Range 7 East of Craighead County, Arkansas:
All of Sections 21, 22, 23, 24, 25, 26, 27, 28, 32, 33, 34, 35, and 36; and
All parts of Sections 20, 29, and 31, lying east of the St. Francis River Levee.

A more detailed parcel listing can be obtained through the County Assessor's office.

Current Indebtedness: None

Current Contracts: None, The District administers annual ditch maintenance work which is contracted on an hourly rate basis as needed. Current per hour unit prices for ditch maintenance using 30' boom, 1-yard bucket excavator is $110.00 to $120.00 per hour.

District Commissioners:
Vacant as of December 29, 2017 due to death of Rusty Thompson, P.O. Box 12, Monette, AR 72447, whose Term Expired 12/31/2017;
Danny Finch, P.O. Box 160, Caraway, AR 72419, Term Expires 12/31/2019;
Bishop Whitley, P.O. Box 82, Black Oak, AR 72414, Term Expires 12/31/2021;
Vacant as of October 16, 2017 due to death of Bill Harrell, Box 164, Monette, AR 72447, whose Term Expires 12/31/2023;

Bobby Pitts, P.O. Box 896, Monette, AR 72447, Term Expires 12/31/2025;

The Commissioners' terms of office are staggered ten (10) year terms pursuant to Arkansas Code Annotated Section 14-120-607.

District Officers:
Chair: Danny Finch
Vice Chair: Bobby Pitts
Treasurer: Vacant as of October 16, 2017 due to death of Bill Harrell
Secretary: Alec Farmer, 2500 Alexander Dr., Ste. C #116, Jonesboro, AR 72401

Annual Meeting:
The District has no set annual meeting date. It meets at least once per year, usually in late February or early March, and as needed. The District's last meeting was held on March 2, 2017 at 2 p.m. at Childress Gin, Childress, Arkansas. Its next meeting is scheduled for February 27, 2018, at 2 p.m. at Childress Gin, Childress, AR. The District typically does not meet between May and October unless a special meeting is called.

District Payee: District Secretary Alec Farmer, 2500 Alexander Dr., Ste. C #116, Jonesboro, AR 72401

Delinquent Penalty:
Per the county's delinquent penalty and costs charges

Method of Assessment:
The District has an annual per acre assessed benefit equivalent to $0.01 per acre and an annual per acre maintenance service charge equivalent to $1.49 per acre. There has been no change in either the assessment or the service charge since 1999

Statement of Income:
See attached audited financial report as of October 31.

Completed by: Alec Farmer Date: 1/10/2018
Alec Farmer, District Secretary

BUFFALO ISLAND DRAINAGE DISTRICT NO. 9
OF CRAIGHEAD COUNTY ARKANSAS

INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS

OCTOBER 31, 2017

dls

despain luther short & company

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

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, 2017, 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 polices 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, 2017, 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.

Despain, Luther, Short
& Company, CPA's, PA

Jonesboro, Arkansas
January 8, 2018

BUFFALO ISLAND DRAINAGE DISTRICT NO. 9
OF CRAIGHEAD COUNTY ARKANSAS

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

OCTOBER 31, 2017

ASSETS

CURRENT ASSETS	
CASH	$ 39,604
TOTAL CURRENT ASSETS	$ 39,604

NET ASSETS

NET ASSETS	$ 39,604

SEE NOTES TO FINANCIAL STATEMENTS

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, 2017

CASH RECEIPTS	
TAX COLLECTIONS	$ 112,194
INTEREST INCOME	245
	112,439
CASH DISBURSEMENTS	
MAINTENANCE WORK	124,735
PUBLIC NOTICE	428
MEETING	0
OFFICE SUPPLIES	286
INSURANCE	4,776
DUES	250
ACCOUNTING FEES	1,200
	131,675
EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER CASH DISBURSEMENTS	(19,236)
NET ASSETS, BEGINNING OF YEAR	58,840
NET ASSETS, END OF YEAR	$ 39,604

SEE NOTES TO FINANCIAL STATEMENTS

BUFFALO ISLAND DRAINAGE DISTRICT NO. 9
OF CRAIGHEAD COUNTY ARKANSAS

NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)

OCTOBER 31, 2017

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 8, 2018, the date which the financial statements were available to be issued.

IN THE COUNTY COURT OF CRAIGHEAD COUNTY, ARKANSAS

IN THE MATTER OF BUFFALO ISLAND
DRAINAGE DISTRICT No. 9 OF
CRAIGHEAD COUNTY, ARKANSAS

OATH OF COMMISSIONER

I, Justin Gathright, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Arkansas, and that I will faithfully discharge the duties of the office of Commissioner of Buffalo Island Drainage District No. 9 of Craighead County, Arkansas, and that I will not directly or indirectly be interested in any contract made by the Board of Commissioners of said district; so help me God.

Justin Gathright, Commissioner

Subscribed and sworn to before me this 5th day of March, 2018.

OFFICIAL SEAL - #12694015
HEATHER BLOCKER
NOTARY PUBLIC-ARKANSAS
MISSISSIPPI COUNTY
MY COMMISSION EXPIRES: 02-11-25

Heather Blocker
Notary Public

My Commission Expires:

2-11-25