

NWA CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

JANUARY 31, 2012



CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Northwest Arkansas Conservation Authority
Bentonville, Arkansas

We have compiled the accompanying statement of net assets of **Northwest Arkansas Conservation Authority** as of January 31, 2012 and the related statement of revenue, expense and changes in net assets - actual and budget for the one month then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements were included in the financial statement, they might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

A management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Management has not presented the management's discussion and analysis required to supplement, although not required to be a part of, the basic financial statements.

We are not independent with respect to Northwest Arkansas Conservation Authority because as of January 1, 2012 we perform certain accounting services that impair our independence.


BEALL BARCLAY & COMPANY, PLC
Certified Public Accountants

Rogers, Arkansas
February 9, 2012

NORTHWEST ARKANSAS CONSERVATION AUTHORITY
STATEMENT OF NET ASSETS
JANUARY 31, 2012

ASSETS	
CURRENT ASSETS	
Unrestricted cash	
Petty cash	\$ 202.29
Cash in checking - FSB	<u>408,348.05</u>
	<u>408,550.34</u>
Restricted cash	
Series 2008 debt svcs reserve	1,722,978.27
Series 2008 bond fund	1,073,525.06
ANRC 2010B construction fund	0.38
ANRC 2008A bond fund	300.27
ANRC - 2008	136,666.83
ANRC - 2009	103,536.60
ANRC - 2010A	72,025.90
ANRC - 2010B	<u>22,498.00</u>
	<u>3,131,531.31</u>
Prepaid assets	30,826.29
Accounts receivable	<u>471,141.03</u>
	<u>501,967.32</u>
Total Current Assets	<u><u>4,042,048.97</u></u>
FIXED ASSETS	
Conveyance lines	20,889,740.68
Treatment facility	34,630,767.15
Land and easements	5,279,274.42
Vehicles	108,154.11
Computers	40,526.57
Lab equipment	31,107.11
Telephone system	5,872.44
Less accumulated depreciation	<u>(1,890,804.25)</u>
	<u>59,094,638.23</u>
OTHER ASSETS	
Utility deposits	275.00
Series 2008 - bond issuance cost	1,509,908.04
ANRC bond issuance cost	1,257,980.00
Accumulated amortization	(244,341.15)
Financing cost	8,183.25
Accumulated amortization	<u>(1,071.62)</u>
	<u>2,530,933.52</u>
	<u><u>\$ 65,667,620.72</u></u>

NORTHWEST ARKANSAS CONSERVATION AUTHORITY
STATEMENT OF NET ASSETS
JANUARY 31, 2012

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts payable	\$	124,845.18
Credit card payable		2,349.69
Current portion of long-term debt		1,153,074.24
Accrued interest		850,174.11
Payroll liabilities		915.11
		<u>915.11</u>

Total Current Liabilities		<u>2,131,358.33</u>
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LONG-TERM LIABILITIES

Series 2008 revenue bond - Bentonville		19,405,000.00
Series 2008 revenue bond - Tontitown		7,420,000.00
Bond discount		(977,872.03)
Revenue Bond 2008A-ANRC		13,205,683.00
Revenue Bond 2009A-ANRC		10,234,020.00
Revenue Bond 2010A-ANRC		14,330,333.00
Revenue Bond 2010B-ANRC		964,121.23
First Security loan 2011B		357,222.09
Liberty equipment loan 2011A		168,120.29
Osage Basin deferred loan		257,500.00
Less current portion of long-term debt		(1,153,074.24)
		<u>64,211,053.34</u>

NET ASSETS

Net assets, beginning of period		(663,650.70)
Change in net assets		(11,140.25)
		<u>(674,790.95)</u>

NET ASSETS, END OF PERIOD

	\$	<u>65,667,620.72</u>
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NORTHWEST ARKANSAS CONSERVATION AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
ONE MONTH ENDED JANUARY 31, 2012

	ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET	PERCENT OF BUDGET SPENT	ANNUAL BUDGET	PERCENT OF ANNUAL BUDGET SPENT
OPERATING REVENUE						
Grants	\$ 0.00	\$ 691.67	\$ (691.67)	0.00%	\$ 8,300.00	0.00%
Treatment revenue - Bentonville	357,626.16	389,363.67	(31,737.51)	91.85%	4,672,364.00	7.65%
Treatment revenue - Tontitown	68,570.23	54,251.25	14,318.98	126.39%	651,015.00	10.53%
Reserve fund revenue	42,619.64	44,361.50	(1,741.86)	96.07%	532,338.00	8.01%
	<u>468,816.03</u>	<u>488,668.09</u>	<u>(19,852.06)</u>	<u>95.94%</u>	<u>5,864,017.00</u>	<u>7.99%</u>
OPERATING COSTS						
Accounting fees	0.00	1,500.00	(1,500.00)	0.00%	18,000.00	0.00%
Automobile allowance	715.38	775.00	(59.62)	92.31%	9,300.00	7.69%
Contracted services	924.00	0.00	924.00	0.00%	0.00	0.00%
Dues and subscriptions	35.00	0.00	35.00	0.00%	0.00	0.00%
Equipment	0.00	41.67	(41.67)	0.00%	500.00	0.00%
Grant expense	0.00	691.67	(691.67)	0.00%	8,300.00	0.00%
Health insurance	1,743.59	1,785.00	(41.41)	97.68%	21,420.00	8.14%
Insurance	4,573.21	4,000.00	573.21	114.33%	48,000.00	9.53%
Legal fees	3,631.42	5,416.67	(1,785.25)	67.04%	65,000.00	5.59%
Marketing	0.00	41.67	(41.67)	0.00%	500.00	0.00%
Meeting expense	84.35	50.00	34.35	168.70%	600.00	14.06%
Office supplies and expense	275.34	333.33	(57.99)	82.60%	4,000.00	6.88%
Other expenses	0.00	50.00	(50.00)	0.00%	600.00	0.00%
Payroll tax expense	1,851.03	2,250.00	(398.97)	82.27%	27,000.00	6.86%
Postage	43.39	33.33	10.06	130.18%	400.00	10.85%
Professional fees	0.00	1,250.00	(1,250.00)	0.00%	15,000.00	0.00%
Property taxes	0.00	25.00	(25.00)	0.00%	300.00	0.00%
Public notices	0.00	25.00	(25.00)	0.00%	300.00	0.00%
Salaries and wages	21,285.74	22,038.33	(752.59)	96.59%	264,460.00	8.05%
Telephone	410.78	525.00	(114.22)	78.24%	6,300.00	6.52%
Travel	0.00	50.00	(50.00)	0.00%	600.00	0.00%
Utilities	15,144.69	12,641.67	2,503.02	119.80%	151,700.00	9.98%
Trustee expense	0.00	2,250.00	(2,250.00)	0.00%	27,000.00	0.00%
Building and grounds maintenance	81.75	375.00	(293.25)	21.80%	4,500.00	1.82%
Chemical supplies	4,471.35	7,700.00	(3,228.65)	58.07%	92,400.00	4.84%
Equipment maintenance	792.64	925.00	(132.36)	85.69%	11,100.00	7.14%
Janitorial	415.31	333.33	81.98	124.59%	4,000.00	10.38%
Lab - testing and equipment	3,180.00	3,166.67	13.33	100.42%	38,000.00	8.37%
Membership, fees, and contracts	271.40	1,354.17	(1,082.77)	20.04%	16,250.00	1.67%
Operating supplies	183.32	250.00	(66.68)	73.33%	3,000.00	6.11%
Petroleum supplies	0.00	525.00	(525.00)	0.00%	6,300.00	0.00%
Plant equipment	0.00	416.67	(416.67)	0.00%	5,000.00	0.00%
Rental and leases	16.35	166.67	(150.32)	9.81%	2,000.00	0.82%
Safety	476.18	291.67	184.51	163.26%	3,500.00	13.61%
Sludge and trash disposal	5,619.80	8,083.33	(2,463.53)	69.52%	97,000.00	5.79%
Travel and training	99.00	315.42	(216.42)	31.39%	3,785.00	2.62%
Uniforms	190.80	275.00	(84.20)	69.38%	3,300.00	5.78%
Vehicle repair	119.50	83.33	36.17	143.41%	1,000.00	11.95%
	<u>66,635.32</u>	<u>80,034.60</u>	<u>(13,399.28)</u>	<u>83.26%</u>	<u>960,415.00</u>	<u>6.94%</u>
CHANGE IN NET ASSETS	<u>402,180.71</u>	<u>408,633.49</u>	<u>(6,452.78)</u>	<u>98.42%</u>	<u>4,903,602.00</u>	<u>8.20%</u>

**NORTHWEST ARKANSAS CONSERVATION AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
ONE MONTH ENDED JANUARY 31, 2012**

	ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET	PERCENT OF BUDGET SPENT	ANNUAL BUDGET	PERCENT OF ANNUAL BUDGET SPENT
NON-OPERATING REVENUE (EXPENSE)						
Interest income	372.01	0.00	372.01	0.00%	0.00	0.00%
Interest expense	<u>(271,210.89)</u>	<u>(266,485.83)</u>	<u>(4,725.06)</u>	<u>101.77%</u>	<u>(3,197,830.00)</u>	<u>8.48%</u>
	<u>(270,838.88)</u>	<u>(266,485.83)</u>	<u>4,353.05</u>	<u>(101.63)%</u>	<u>(3,197,830.00)</u>	<u>(8.47)%</u>
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION	<u>131,341.83</u>	<u>142,147.66</u>	<u>(10,805.83)</u>	<u>92.40%</u>	<u>1,705,772.00</u>	<u>7.70%</u>
Amortization of bond financing cost	6,238.25					
Depreciation expense	<u>136,243.83</u>					
	<u>142,482.08</u>					
	<u>\$ (11,140.25)</u>					