

NWA CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

APRIL 30, 2012



CERTIFIED PUBLIC ACCOUNTANTS



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 April 30, 2012 and the related statement of revenue, expense and changes in net assets - actual and budget for the four months 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
May 10, 2012

NORTHWEST ARKANSAS CONSERVATION AUTHORITY
STATEMENT OF NET ASSETS
APRIL 30, 2012

ASSETS	
CURRENT ASSETS	
Unrestricted cash	
Petty cash	\$ 202.29
Cash in checking - FSB	<u>559,309.53</u>
	<u>559,511.82</u>
Restricted cash	
Series 2008 debt svcs reserve	1,722,978.27
Series 2008 bond fund	453,433.44
ANRC 2010B construction fund	0.75
ANRC - 2008	341,212.08
ANRC - 2009	258,839.66
ANRC - 2010A	288,097.68
ANRC - 2010B	<u>56,245.11</u>
	<u>3,120,806.99</u>
Prepaid assets	17,687.16
Receivable - J.Sampier	2,028.04
Accounts receivable	<u>452,255.45</u>
	<u>471,970.65</u>
Total Current Assets	<u>4,152,289.46</u>
FIXED ASSETS	
Conveyance lines	20,889,740.68
Treatment facility	36,698,622.15
Land and easements	5,296,665.42
Vehicles	108,154.11
Computers	40,526.57
Lab equipment	31,107.11
Telephone system	5,872.44
Less accumulated depreciation	<u>(2,201,934.93)</u>
	<u>60,868,753.55</u>
OTHER ASSETS	
Series 2008 - bond issuance cost	1,509,908.04
ANRC bond issuance cost	1,257,980.00
Accumulated amortization	(262,763.64)
Financing cost	8,183.25
Accumulated amortization	<u>(1,363.88)</u>
	<u>2,511,943.77</u>
	<u>\$ 67,532,986.78</u>

NORTHWEST ARKANSAS CONSERVATION AUTHORITY
STATEMENT OF NET ASSETS
APRIL 30, 2012

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts payable	\$	8,516.27
Current portion of long-term debt		976,848.00
Accrued interest		3,633,056.08
Retainage payable		124,845.18
Payroll liabilities		869.50
		869.50
Total Current Liabilities		4,744,135.03

LONG-TERM LIABILITIES

Series 2008 revenue bond - Bentonville		19,095,400.00
Series 2008 revenue bond - Tontitown		7,299,600.00
Bond discount		(971,096.95)
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		345,553.25
Liberty equipment loan 2011A		161,963.02
Osage Basin deferred loan		257,500.00
Less current portion of long-term debt		(976,848.00)
		63,946,228.55

NET ASSETS

Invested in capital assets, net of related debt		(1,090,111.00)
Restricted for capital activity and debt service		(576,821.00)
Unrestricted assets		502,022.95
Change in net assets		7,532.25
		7,532.25

NET ASSETS, END OF PERIOD

		(1,157,376.80)
	\$	67,532,986.78

NORTHWEST ARKANSAS CONSERVATION AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
FOUR MONTHS ENDED APRIL 30, 2012

	ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET	PERCENT OF BUDGET SPENT	ANNUAL BUDGET	PERCENT OF ANNUAL BUDGET SPENT
OPERATING REVENUE						
Grants	\$ 0.00	\$ 2,766.68	\$ (2,766.68)	0.00%	\$ 8,300.00	0.00%
Treatment revenue - Bentonville	1,532,059.61	1,557,454.68	(25,395.07)	98.37%	4,672,364.00	32.79%
Treatment revenue - Tontitown	238,144.78	217,005.00	21,139.78	109.74%	651,015.00	36.58%
Reserve fund revenue	177,021.51	177,446.00	(424.49)	99.76%	532,338.00	33.25%
	<u>1,947,225.90</u>	<u>1,954,672.36</u>	<u>(7,446.46)</u>	<u>99.62%</u>	<u>5,864,017.00</u>	<u>33.21%</u>
OPERATING COSTS						
1007215 - Contracted services	8,150.40	0.00	8,150.40	0.00%	0.00	0.00%
1009090 - Dues and subscriptions	45.00	0.00	45.00	0.00%	0.00	0.00%
1009100 - Accounting fees	4,500.00	6,000.00	(1,500.00)	75.00%	18,000.00	25.00%
1009105 - Automobile allowance	1,430.76	3,100.00	(1,669.24)	46.15%	9,300.00	15.38%
1009340 - Grant expense	0.00	2,766.68	(2,766.68)	0.00%	8,300.00	0.00%
1009345 - Health insurance	5,943.73	7,140.00	(1,196.27)	83.25%	21,420.00	27.75%
1009350 - Insurance	18,292.84	16,000.00	2,292.84	114.33%	48,000.00	38.11%
1009351 - Equipment	200.00	166.68	33.32	119.99%	500.00	40.00%
1009400 - Legal fees	3,631.42	21,666.68	(18,035.26)	16.76%	65,000.00	5.59%
1009500 - Marketing	0.00	166.68	(166.68)	0.00%	500.00	0.00%
1009510 - Meeting expense	84.35	200.00	(115.65)	42.17%	600.00	14.06%
1009600 - Office supplies and expense	5,121.15	1,333.32	3,787.83	384.09%	4,000.00	128.03%
1009605 - Other expenses	270.79	200.00	70.79	135.40%	600.00	45.13%
1009650 - Salaries and wages	77,389.09	88,153.32	(10,764.23)	87.79%	264,460.00	29.26%
1009652 - Public notices	132.00	100.00	32.00	132.00%	300.00	44.00%
1009655 - Professional fees	18,957.44	5,000.00	13,957.44	379.15%	15,000.00	126.38%
1009656 - Postage	18.70	133.32	(114.62)	14.03%	400.00	4.67%
1009658 - Property taxes	80.74	100.00	(19.26)	80.74%	300.00	26.91%
1009660 - Payroll tax expense	8,564.69	9,000.00	(435.31)	95.16%	27,000.00	31.72%
1009765 - Travel	0.00	200.00	(200.00)	0.00%	600.00	0.00%
1009770 - Telephone	1,573.88	2,100.00	(526.12)	74.95%	6,300.00	24.98%
2009800 - Trustee expense	12,250.00	9,000.00	3,250.00	136.11%	27,000.00	45.37%
3009100 - Building and grounds maintena	740.97	1,500.00	(759.03)	49.40%	4,500.00	16.47%
3009150 - Chemical supplies	35,975.70	30,800.00	5,175.70	116.80%	92,400.00	38.93%
3009200 - Plant equipment	1,170.68	1,666.68	(496.00)	70.24%	5,000.00	23.41%
3009250 - Equipment maintenance	9,914.83	3,700.00	6,214.83	267.97%	11,100.00	89.32%
3009300 - Janitorial	1,374.81	1,333.32	41.49	103.11%	4,000.00	34.37%
3009350 - Lab - testing and equipment	12,869.68	12,666.68	203.00	101.60%	38,000.00	33.87%
3009400 - Membership, fees, and contrac	9,934.80	5,416.68	4,518.12	183.41%	16,250.00	61.14%
3009450 - Operating supplies	1,118.23	1,000.00	118.23	111.82%	3,000.00	37.27%
3009500 - Petroleum supplies	2,369.78	2,100.00	269.78	112.85%	6,300.00	37.62%
3009550 - Rental and leases	49.05	666.68	(617.63)	7.36%	2,000.00	2.45%
3009600 - Safety	936.45	1,166.68	(230.23)	80.27%	3,500.00	26.76%
3009650 - Sludge and trash disposal	38,427.77	32,333.32	6,094.45	118.85%	97,000.00	39.62%
3009700 - Travel and training	99.00	1,261.68	(1,162.68)	7.85%	3,785.00	2.62%
3009750 - Uniforms	891.70	1,100.00	(208.30)	81.06%	3,300.00	27.02%
3009800 - Plant utilities	59,575.01	50,566.68	9,008.33	117.81%	151,700.00	39.27%
3009850 - Vehicle repair	211.33	333.32	(121.99)	63.40%	1,000.00	21.13%
	<u>342,296.77</u>	<u>320,138.40</u>	<u>22,158.37</u>	<u>106.92%</u>	<u>960,415.00</u>	<u>35.64%</u>
CHANGE IN NET ASSETS	<u>1,604,929.13</u>	<u>1,634,533.96</u>	<u>(29,604.83)</u>	<u>98.19%</u>	<u>4,903,602.00</u>	<u>32.73%</u>

**NORTHWEST ARKANSAS CONSERVATION AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
FOUR MONTHS ENDED APRIL 30, 2012**

	ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET	PERCENT OF BUDGET SPENT	ANNUAL BUDGET	PERCENT OF ANNUAL BUDGET SPENT
NON-OPERATING REVENUE (EXPENSE)						
Interest income	1,449.53	0.00	1,449.53	0.00%	0.00	0.00%
1009355 - Interest expense	<u>(1,053,858.48)</u>	<u>(1,065,943.32)</u>	<u>12,084.84</u>	<u>98.87%</u>	<u>(3,197,830.00)</u>	<u>32.96%</u>
	<u>(1,052,408.95)</u>	<u>(1,065,943.32)</u>	<u>(13,534.37)</u>	<u>(98.73)%</u>	<u>(3,197,830.00)</u>	<u>(32.91)%</u>
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION	<u>552,520.18</u>	<u>568,590.64</u>	<u>(16,070.46)</u>	<u>97.17%</u>	<u>1,705,772.00</u>	<u>32.39%</u>
1009150 - Amortization of bond financing c	24,953.00					
1009255 - Depreciation expense	<u>520,034.93</u>					
	<u>544,987.93</u>					
	<u>\$ 7,532.25</u>					

