AMERICAS CARMART INC
Form 11-K
June 27, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 11-K

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x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _____________

Commission file number: 0-14939

America's Car-Mart, Inc. 401(K) Plan

(Full title of the plan and the address of the plan, if different from that of issuer named below)

America's Car-Mart, Inc.
802 SE Plaza Avenue, Suite 200
Bentonville, AR 72712
(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

The following financial statements and reports, which have been prepared pursuant to the requirements of the Employee Retirement Income Security Act of 1974, are filed as part of this Annual Report on Form 11-K:

Report of Independent Registered Public Accounting Firm

Financial Statements:
Statements of Net Assets Available for Benefits, December 31, 2011 and 2010
Statement of Changes in Net Assets Available for Benefits, Year Ended December 31, 2011
Notes to Financial Statements

Supplemental Schedule:
Schedule of Assets (Held at End of Year), December 31, 2011

Exhibit 23.1
Consent of Independent Registered Public Accounting Firm

AMERICA'S CAR-MART, INC. 401(k) PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2011 and 2010

WITH

REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator
America's Car-Mart, Inc. 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of America's Car-Mart, Inc. 401(k) Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan has determined it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of America's Car-Mart, Inc. 401(k) Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with United States generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

\s\ HOGANTAYLOR LLP

Fayetteville, Arkansas
June 26, 2012

AMERICA'S CAR-MART, INC. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

	2011	2010
Assets		
Cash	$19,777	$17,327
Investments, at fair value	3,025,310	2,610,589
Receivables:		
Notes receivable from participants	333,586	192,560
Accrued investment income	670	639
Due from brokers for securities sold	7,127	2,462
Total receivables	341,383	195,661
Total assets	3,386,470	2,823,577
Liabilities		
Refunds of excess contributions	50,093	46,290
Due to brokers for securities purchased	23,482	16,897
Total liabilities	73,575	63,187
Net assets available for benefits	$3,312,895	$2,760,390

See notes to financial statements.

AMERICA'S CAR-MART, INC. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2011

Investment income:	
Interest and dividends	$30,008
Net appreciation in fair value of investments	50,009
Total investment income	80,017
Interest income on notes receivable from participants	11,285
Contributions:	
Participants	420,501
Employer	173,718
Rollovers	109,719
Total contributions	703,938
Total additions	795,240
Deductions from net assets attributable to:	
Benefits paid to participants	242,735
Net increase in net assets available for benefits	552,505
Net assets available for benefits, beginning of year	2,760,390
Net assets available for benefits, end of year	$3,312,895

See notes to financial statements.

AMERICA'S CAR-MART, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

Note 1 – Description of Plan

America's Car-Mart, Inc. (the “Company” or “Employer”) sponsors the America's Car-Mart, Inc. 401(k) Plan (the “Plan”) for the benefit of its employees. The following description is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established for the benefit of the employees of the Company. The Plan is intended to satisfy all of the requirements for a qualified retirement plan under the appropriate provisions of the Internal Revenue Code (the “Code”) and similar state tax laws. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan is administrated by a committee appointed by the Company. Bank of Oklahoma, N.A., (the “Trustee”) serves as the trustee of the Plan. Bank of Oklahoma processes and maintains the records of the participant data and serves as the Plan's custodian.

Eligibility

Employees of the Company who have reached 21 years of age and have completed one year of service are eligible to participate in the Plan. A year of service means a 12-consecutive month period in which an employee has 1,000 or more hours of service. Participants may enroll in the Plan on the first day of the quarter after satisfying eligibility requirements.

Contributions

Each year, participants may contribute up to the maximum percentage of their compensation as defined by the Plan and dollar amount permissible under the Code. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also rollover amounts from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and common collective trust funds and Employer stock as investment options for participants.

The Plan also provides for discretionary Employer matching contributions, subject to limitations under the Code. During 2011, the Company provided a matching contribution equal to 50% of each participant's contributions up to a maximum of 4% of qualifying participant's compensation. Employer matching contributions are based on deferrals made each pay period.

Additional amounts may be contributed at the discretion of the Board of Directors of the Company. There were no additional discretionary contributions made during 2011.

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Vesting

Participants are immediately vested in their own contributions plus or minus any earnings or losses thereon. Vesting of Employer contributions is based upon years of service according to the following schedule:

Years of Service	Vesting Percentage	
One, but less than two	20	%
Two, but less than three	40	%
Three, but less than four	60	%
Four, but less than five	80	%
Five or more	100	%

Participants automatically become 100% vested upon: 1) normal retirement (attainment of age 65); 2) disability; or 3) death. Participants who terminate for any other reason are entitled to the vested amount of their accounts.

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 reduced by the highest outstanding loan balance during a 12-month period, or 50% of their vested account balance. Loan terms are not to exceed five years, unless the loan is for a primary residence in which case the term for repayment may not exceed 15 years. The loans are secured by the balance in the participant's account and bear interest at prime plus one percent on the date of origination. Only one loan may be outstanding at any given time. Principal and interest are paid ratably through payroll deductions.

Forfeitures

Forfeitures of Employer contributions resulting from participants withdrawing prior to becoming 100% vested are used to reduce Employer matching contributions. During 2011, forfeitures in the amount of $12,485 were used to reduce the Employer match contribution. The Plan did not have unallocated forfeitures at December 31, 2011 and 2010, respectively.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of (a) Employer contributions and (b) Plan earnings. The allocation of Employer contributions is based on participant deferrals; the allocation of Plan earnings is based on participant account balance. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of benefits

Upon retirement, termination, disability or death, a participant may elect to receive a lump-sum amount equal to the vested value of his or her account. Additionally, participants are allowed to take an in-service withdrawal upon reaching the age 59½.

The Plan allows hardship withdrawals subject to account balance limits and applicable laws.

Upon employee termination, mandatory distributions are required for balances of less than $5,000. Mandatory distributions above $1,000 made without the participant's consent are paid in a direct rollover to an individual retirement account designated by the Trustee. For inactive employees who have reached age 70½, certain minimum distributions are required.

Administrative expenses

The Plan allows administrative expenses to be paid from the Plan's assets.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and income recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reported as distributions based on the terms of the Plan.

Payment of benefits

Benefits are recorded when paid. There were no benefit payments requested before year end that were not paid.

Recent accounting pronouncements

In May 2011, the Financial Accounting Standards Board issued new guidance to achieve fair value measurements and disclosure requirements in accordance with accounting principles generally accepted in the United States of America and International Financial Reporting Standards. The guidance also clarifies the application of existing fair value measurements and disclosure requirements and those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The new guidance is effective for periods beginning after December 31, 2011. The Plan's management is currently evaluating the effect that the provisions will have on the Plan's financial statements.

Note 3 – Investments

The following table presents the fair value of the participant directed investments. Individual investments that represent 5% or more of the Plan's net assets at December 31, 2011 or 2010 are separately identified.

Investment Description	2011	2010
American Growth Fund of America	$244,343	$226,823
America's Car-Mart, Inc. Common Stock	482,101	321,781
Cavanal Hill Cash Management Fund	443,270	319,712
Federated Kaufman	-	297,377
Fidelity Balanced	267,245	219,588
DFA International Value Fund	232,118	235,541
Lord Abbett Small Cap Blend Fund	-	227,016
Neuberger Berman Guardian Trust Fund	225,038	261,536
PIMCO Total Return Fund Institutional	239,941	214,519
Prudential Jennison Mid Cap Growth	328,462	-
Vanguard Small Cap Index	211,011	-

For the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

Mutual funds	$(87,788)
Company stock	139,651
Common collective trust funds	(1,854)
Total	$50,009

Note 4 – Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Fair value measurements are classified and disclosed in one of the following categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2011 and 2010. During the years ended December 31, 2011 and 2010, there were no transfer of financial instruments between Level 1 and Level 2.

Mutual funds: Valued at the net asset value of shares held by the Plan at year end.

Company common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Common collective trust funds: Stated at fair value as determined by the issuer of the common collective trust funds based on the fair market of the underlying investments. There are no restrictions on redemptions from the common collective trust funds, and there are no unfunded commitments to them as of December 31, 2011.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31:

	Fair Value Measurements at December 31, 2011 Using:			
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Company common stock	$ 482,101	$ -	$ -	$ 482,101
Mutual funds:				
Balanced	267,245	-	-	267,245
Growth	797,843	-	-	797,843
Value	349,335	-	-	349,335
Blended	453,911	-	-	453,911
Cash equivalents	443,270	-	-	443,270
Total mutual funds	2,311,604	-	-	2,311,604
Common collective trust funds:				
Balanced	-	231,605	-	231,605
Total	$ 2,793,705	$ 231,605	$ -	$ 3,025,310

	Fair Value Measurements at December 31, 2010 Using:			
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Company common stock	$ 321,781	$ -	$ -	$ 321,781
Mutual funds:				
Balanced	219,588	-	-	219,588
Growth	1,012,752	-	-	1,012,752
Value	343,084	-	-	343,084
Blended	215,084	-	-	215,084
Cash equivalents	319,712	-	-	319,712
Total mutual funds	2,110,220	-	-	2,110,220
Common collective trust funds:				
Balanced	-	178,588	-	178,588
Total	$ 2,432,001	$ 178,588	$ -	$ 2,610,589

Note 5 – Risks and Uncertainties

The Plan provides for investments in various investment securities, which are in general exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits.

Note 6 – Party-in-Interest Transactions

All common collective trust funds are managed by the Trustee. Transactions with such funds qualify as exempt party-in-interest transactions. Fees paid by the Plan for the investment management services are included in net appreciation in the fair value of investments.

Cavanal Hill Investment Management Inc. manages the Cavanal Hill Cash Management Fund and is a wholly-owned subsidiary of the Trustee.

Certain administrative expenses incurred in connection with the Plan are paid by the Company. In 2011, the Company paid approximately $38,000 in administrative expenses on behalf of the Plan. The Company will not seek reimbursement from the Plan for the payment of these expenses. Certain administrative functions are performed by officers and employees of the Company. No officer or employee receives compensation from the Plan for these services.

The Plan assets at December 31, 2011 and 2010, also include 12,305 and 11,883 shares, respectively, of America's Car-Mart, Inc. common stock having a fair value of $482,101 and $321,781, respectively. The Company is the Plan Sponsor; therefore, these investment transactions qualify as exempt party-in-interest transactions. Investment in

Company common stock is participant directed.

Note 7 – Plan Termination

Although it has not expressed any intent to do so, th