

Merrick & Hogan

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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105 Gisele Street
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PCP SEWAGE DISTRICT #4
105 GISELE ST
NEW ROADS, LA 70760

We have compiled the accompanying statements of assets, liabilities and equity -- income tax basis of PCP SEWAGE DISTRICT #4 (a non-profit organization) as of December 31, 2009, and the related statements of revenue and expenses -- income tax basis for the nine months then ended, and cash flow of the one month and the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the income tax basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The company has elected to omit substantially all of the disclosures normally associated with income tax basis financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial condition. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to PCP SEWAGE DISTRICT #4.

Merrick & Hogan

January 11, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/22/10

NEW ROADS (225) 638-4501 • FAX (225) 638-6763 • BATON ROUGE (225) 343-3014

**PCP SEWAGE DISTRICT #4
ASSETS, LIABILITIES AND EQUITY -- INCOME TAX
As of December 31, 2009 and 2008**

ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
GUARANTY BK - OPERATING	\$ 44,281.83	\$ 1,941.71
GUARANTY BK - CONTINGENCY	3,452.30	65.30
GUARANTY BK - RESERVE	2,873.04	65.30
GUARANTY BK - SINKING	54,496.53	65.30
GUARANTY BK - CONSTRUCTION	<u>1,327.39</u>	<u>1,143.16</u>
Total Current Assets	<u>106,410.89</u>	<u>3,280.77</u>
PROPERTY AND EQUIPMENT		
SEWER SYSTEM	2,162,004.38	0.00
ACCUMULATED DEPRECIATION	<u>(36,000.00)</u>	<u>0.00</u>
Net Property and Equipment	<u>2,126,004.38</u>	<u>0.00</u>
TOTAL ASSETS	<u>\$ 2,232,415.27</u>	<u>\$ 3,280.77</u>

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**PCP SEWAGE DISTRICT #4
ASSETS, LIABILITIES AND EQUITY -- INCOME TAX
As of December 31, 2009 and 2008**

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2009</u>	<u>2008</u>
CURRENT LIABILITIES		
LONG-TERM LIABILITIES		
USDA #04	357,914.18	0.00
USDA #07	466,888.05	0.00
USDA #08	<u>442,890.87</u>	<u>0.00</u>
Total Long-Term Liabilities	<u>1,267,702.10</u>	<u>0.00</u>
Total Liabilities	<u>1,267,702.10</u>	<u>0.00</u>
STOCKHOLDERS' EQUITY		
CONTRIBUTIONS IN AID OF CONST	948,000.00	0.00
MEMBERS INVESTMENTS	3,780.77	3,280.77
Net Income	<u>12,932.40</u>	<u>0.00</u>
Total Stockholders' Equity	<u>964,713.17</u>	<u>3,280.77</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,232,415.27</u>	<u>\$ 3,280.77</u>

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**PCP SEWAGE DISTRICT #4
REVENUES AND EXPENSES -- INCOME TAX BASIS**

	1 Month Ended December 31, 2009	1 Month Ended December 31, 2008	12 Months Ended December 31, 2009	12 Months Ended December 31, 2008
Sales				
SALES	\$ 10,937.44	\$ 0.00	\$ 137,483.73	\$ 0.00
Less Returns & Allowances	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Sales	<u>10,937.44</u>	<u>0.00</u>	<u>137,483.73</u>	<u>0.00</u>
Gross Profit	<u>10,937.44</u>	<u>0.00</u>	<u>137,483.73</u>	<u>0.00</u>
Operating Expenses				
INTEREST	(297.80)	0.00	54,069.60	0.00
DEPRECIATION	9,000.00	0.00	36,000.00	0.00
ADVERTISING	0.00	0.00	159.00	0.00
BANK CHARGES	10.74	0.00	357.84	0.00
CONTRACT WORK	3,569.26	0.00	8,658.82	0.00
INSURANCE	0.00	0.00	2,150.00	0.00
LEGAL AND ACCOUNTING	0.00	0.00	280.00	0.00
OFFICE SUPPLIES	39.00	0.00	174.32	0.00
MAINTENANCE AND REPAIRS	175.00	0.00	8,006.49	0.00
SUPPLIES	0.00	0.00	300.00	0.00
UTILITIES	<u>25.24</u>	<u>0.00</u>	<u>14,926.32</u>	<u>0.00</u>
Total Operating Expenses	<u>12,521.34</u>	<u>0.00</u>	<u>125,082.39</u>	<u>0.00</u>
Operating Income (Loss)	<u>(1,583.90)</u>	<u>0.00</u>	<u>12,401.34</u>	<u>0.00</u>
Other Income				
INTEREST ON INVESTMENTS	<u>29.92</u>	<u>0.00</u>	<u>531.06</u>	<u>0.00</u>
Total Other Income (Loss)	<u>29.92</u>	<u>0.00</u>	<u>531.06</u>	<u>0.00</u>
Net Income (Loss)	<u>\$ (1,553.98)</u>	<u>\$ 0.00</u>	<u>\$ 12,932.40</u>	<u>\$ 0.00</u>

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**PCP SEWAGE DISTRICT #4
STATEMENT OF CASH FLOWS
For the 1 Month and 12 Months Ended December 31, 2009**

	<u>For the Month Ended December 31, 2009</u>	<u>For the Year Ended December 31, 2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ (1,553.08)	\$ 12,932.40
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:		
Depreciation and Amortization	9,000.00	36,000.00
Losses (Gains) on sales of Fixed Assets	0.00	0.00
Decrease (Increase) in Operating Assets:		
Increase (Decrease) in Operating Liabilities:		
Accrued Liabilities	0.00	0.00
Total Adjustments	<u>9,000.00</u>	<u>36,000.00</u>
Net Cash Provided By (Used in) Operating Activities	7,446.02	48,932.40
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	0.00	(2,416,004.30)
Proceeds From Sale of Fixed Assets	<u>0.00</u>	<u>0.00</u>
Net Cash Provided By (Used in) Investing Activities	0.00	(2,416,004.30)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes Payable Borrowings	0.00	4,709,318.34
Notes Payable Repayments	(297.90)	(3,441,010.24)
Proceeds From Sale of Stock	<u>0.00</u>	<u>0.00</u>
Net Cash Provided By (Used in) Financing Activities	(297.90)	1,267,702.10
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,148.12	(1,099,369.86)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>99,262.77</u>	<u>3,280.77</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 106,410.89	\$ 106,410.89

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