

**ST. TAMMANY PARISH  
SEWERAGE DISTRICT NO. 4  
Covington, Louisiana**

**Financial Statements  
And  
Independent Accountant's Compilation Report**

**December 31, 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 8/17/11

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## Independent Accountant's Compilation Report

To the Board of Commissioners  
St. Tammany Parish Sewerage District No. 4  
Covington, Louisiana

We have compiled the accompanying statement of net assets of St. Tammany Parish Sewerage District No. 4 (the District), a component unit of the St. Tammany Parish Government, as of December 31, 2010, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year 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 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 the disclosures required by accounting principles generally accepted in the United States. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District'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.

The District's management has not presented the Management's Discussion and Analysis information that the Governmental Accounting Standards Board has determined to be required to supplement, although not required to be part of, the basic financial statements.

A Professional Accounting Corporation

May 24, 2011

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**ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4**

**STATEMENT OF NET ASSETS**

**December 31, 2010**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	109,783
Revenues receivable - charges for services		13,650
Due from other governmental entity - St. Tammany Parish Waterworks		46,439
Accrued interest receivable		220
Prepaid insurance		<u>5,916</u>
<b>Total Current Assets</b>		<u><b>176,008</b></u>

**Noncurrent Assets**

Property, plant and equipment (net of accumulated depreciation)		<u>15,008</u>
<b>Total Noncurrent Assets</b>		<u><b>15,008</b></u>

**TOTAL ASSETS** **191,016**

**LIABILITIES**

**Current Liabilities**

Accounts payable		<u>11,547</u>
<b>Total Current Liabilities</b>		<u><b>11,547</b></u>

**Noncurrent Liabilities**

Bonds payable		
Less than one year		38,000
More than one year		<u>265,000</u>
<b>Total Noncurrent Liabilities</b>		<u><b>303,000</b></u>

**TOTAL LIABILITIES** **314,547**

**NET ASSETS**

Deficit in Investment in Capital Assets, Net of Related Debt		(287,992)
Unrestricted		<u>164,461</u>
<b>TOTAL DEFICIT IN NET ASSETS</b>	\$	<u><u><b>(123,531)</b></u></u>

See independent accountant's compilation report.

**ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>OPERATING REVENUES</b>	
Charges for services	\$ 155,250
Administrative fees for new users	<u>375</u>
<b>Total operating revenues</b>	<u>155,625</u>
<b>OPERATING EXPENSES</b>	
Bank charges	22
Board member's fees	2,700
Bond service fees	1,787
Bookkeeping	2,220
Depreciation	7,800
Dues and subscriptions	250
Insurance	8,265
Office supplies and expenses	282
Postage	939
Professional services	4,270
Repairs & maintenance	75,737
Telephone	198
Utilities	<u>21,671</u>
<b>Total operating expenses</b>	<u>126,141</u>
<b>OPERATING INCOME</b>	<u>29,484</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	667
Interest expense	<u>(11,730)</u>
<b>Total nonoperating expense</b>	<u>(11,063)</u>
<b>CHANGE IN NET ASSETS</b>	18,421
<b>DEFICIT IN NET ASSETS BEGINNG OF YEAR</b>	<u>(141,952)</u>
<b>DEFICIT IN NET ASSETS END OF YEAR</b>	<u>\$ (123,531)</u>

See independent accountant's compilation report.

**ST. TAMMANY PARISH SEWERAGE DISTRICT NO.4  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010**

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 155,735
Cash payments to suppliers for goods and services	(109,991)
Cash payments to board members	<u>(2,700)</u>
<b>Net cash provided by operating activities</b>	<u>43,044</u>
<b>Cash flows from non-capital financing activities</b>	
Increase in due from other governmental entity	<u>(44,309)</u>
<b>Net cash provided by non-capital financing activities</b>	<u>(44,309)</u>
<b>Cash flows from capital financing activities</b>	
Principal payments on bond indebtedness	(37,000)
Interest paid	<u>(11,730)</u>
<b>Net cash used for capital financing activities</b>	<u>(48,730)</u>
<b>Cash flows from investing activities</b>	
Interest received	<u>912</u>
<b>Net cash provided by investing activities</b>	<u>912</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(49,083)
<b>Cash and cash equivalents at beginning of year</b>	<u>158,866</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 109,783</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 29,484
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	7,800
Decrease in receivables	99
Increase in prepaid insurance	(13)
Increase in accounts payable	<u>5,674</u>
<b>Net cash provided by operating activities</b>	<u>\$ 43,044</u>

See independent accountant's compilation report.