

ENERCORP INC
Form 10-Q
December 10, 2008

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
X OF 1934

For the Quarterly Period Ended **December 31, 2006**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the Transition Period From to

Commission File Number 0-9083

ENERCORP, INC.

(Exact name of Registrant as specified in its charter)

Colorado

84-0768802

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification Number)

23399 Commerce Drive Suite B-1

Farmington Hills MI 48335

Edgar Filing: ENERCORP INC - Form 10-Q

(Address of principal executive offices)

Registrant's telephone number, including area code: (248) 994-0099

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: **Yes**
X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act)
Yes No X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)
Yes No X

The number of shares outstanding of the registrant's common stock as of December 31, 2006 was 695,897.

PART I

Table of Contents

- ◇ Item 1. Financial Statements
 - ◇ Statements of Net Assets
 - ◇ Schedule of Investments as of December 31, 2006 (Unaudited)
 - ◇ Schedule of Investments as of June 30, 2006
 - ◇ Statements of Changes in Net Assets (Unaudited)
 - ◇ Unaudited Statements of Operations
 - ◇ Unaudited Statements of Cash Flows
 - ◇ Notes to the Unaudited Financial Statements
- ◇ Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations.
- ◇ Item 3. Quantitative and Qualitative Disclosures about Market Risk
- ◇ Item 4. Controls and Procedures.
- PART II. OTHER INFORMATION
 - ◇ Item 1. Legal Proceedings
 - ◇ Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
 - ◇ Item 3. Defaults Upon Senior Securities
 - ◇ Item 4. Submission of Matters to a Vote of Security Holders
 - ◇ Item 5. Other information
 - ◇ Item 6. Exhibits
- SIGNATURES
 - - ◇ EXHIBIT 31.1
 - ◆ Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer
 - ◇ EXHIBIT 31.2
 - ◆ Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer
 - ◇ EXHIBIT 32.1
 - ◆ Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
 - ◇ EXHIBIT 32.2
 - ◆ Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Item 1 Financial Statements

Enercorp, Inc.

Statements of Net Assets

ASSETS	December 31, 2006 (Unaudited)	June 30, 2006
	\$ 247,002	\$ 207,008

Investments, at fair value, as determined by the Board of Directors, cost of \$103,150 at December 31, 2006 and June 30, 2006

Cash	4,627	1,100
Prepaid insurance	2,651	733
Total assets	254,280	208,841

LIABILITIES

Notes payable	325,000	325,000
Notes payable - related party	141,964	141,636
Accounts payable and accrued liabilities	68,204	13,102
Accrued management fees-related party	67,500	52,500
Interest payable - other	55,035	43,657
Interest payable - related party	8,472	3,461
Total liabilities	666,175	579,356
Commitments and contingencies		

NET ASSETS	\$	(411,895)	\$	(370,515)
-------------------	----	-----------	----	-----------

ANALYSIS OF NET ASSETS:

Common stock, no par value: 10,000,000 shares authorized, 695,897 shares issued and outstanding at December 31, 2006 and June 30, 2006

	1,888,251	1,888,251
Preferred stock, no par value, 1,000,000 shares authorized, zero issued and outstanding	-	-
Accumulated deficit	(2,538,049)	(2,456,674)

Net unrealized appreciation on investments	237,903	197,908
--	---------	---------

Net assets (equivalent to \$(0.59) and \$(0.53) per share based on 695,897 shares of capital stock outstanding)

\$	(411,895)	\$	(370,515)
----	-----------	----	-----------

See accompanying notes to unaudited financial statements

Enercorp, Inc.**Schedule of Investments as of December 31, 2006 (Unaudited)**

Affiliated Companies	Description of Business	No of Shares	Price per Share	Cost/Equity	Value before Discount	Discount	Fair Value
Common Stocks-Public Market Method of Valuation							
CompuSonics Video Corporation	Computer Software Product	1,751	\$ 0.001	\$ -	\$ 2	\$ (1)	\$ 1
	Web Site Development	9,500,000	0.001	101,650	13,300	(7,980)	5,320
	Subtotal			101,650	13,302	(7,981)	5,321
Unaffiliated Companies							
Common Stocks-Public Market Method of Valuation							
Williams Controls, Inc.	Motor Vehicle Parts	16,666	14.500	-	241,657	-	241,657
Vitro Diagnostics, Inc.	Diagnostic test kits	300	0.080	1,500	24		24
	Total All Companies			\$ 103,150	\$ 254,983	\$ (7,981)	\$ 247,002

See accompanying notes to unaudited financial statements

Enercorp, Inc.**Schedule of Investments as of June 30, 2006**

Description of Business	No of Shares	Price per share	Cost/Equity	Value before Discount	Discount	Fair Value
Affiliated Companies						
Common Stocks-Public Market Method of Valuation						
CompuSonics Video Corporation	Computer Software Product & Web Site Development	1,751	\$0.005	\$ -	\$ 9	\$ (8)
		9,500,000	0.005	101,650	47,500	(42,180)
				101,650	47,509	(42,188)
						5,321
						\$ 1
Unaffiliated Companies						
Common Stocks-Public Market Method of Valuation						
Williams Controls, Inc.	Motor Vehicle Parts	16,666	12.100	-	201,659	-
Vitro Diagnostics, Inc.	Diagnostic test kits	300	0.094	1,500	28	-
						28
Total All Companies				\$ 103,150	\$ 249,196	\$(42,188)
						\$ 207,008

See accompanying notes to unaudited financial statements

Enercorp, Inc.**Statements of Changes in Net Assets (Unaudited)**

	Six months ended December 31, 2006	Six months ended December 31, 2005
Decrease in net assets from operations:		
Net investment loss	\$ (81,375)	\$ (50,760)
Net realized gain (loss) from investments	-	-
Net increase (decrease) in unrealized appreciation on investments	39,995	(38,665)
Net decrease in net assets resulting from operations	(41,380)	(89,425)
Net assets		
Beginning of the period	(370,515)	34,672
End of the period	\$ (411,895)	\$ (54,753)

See accompanying notes to unaudited financial statements

Enercorp, Inc.**Unaudited Statements of Operations**

	Three months ended December 31,		Six months ended December 31,	
	2006	2005	2006	2005
REVENUES				
Consulting income related party	\$ 20,000	\$ -	\$ 32,500	\$ -
Sales commissions	-	-	1,670	-
Miscellaneous income	-	-	-	4,448
Total revenues	20,000	-	34,170	4,448
EXPENSES				
Compensation of officers	30,000	-	60,000	-
Legal , accounting & other professional fees	18,038	21,930	18,410	26,269
Management fees- related party	7,500	7,500	15,000	15,000
Interest expense	5,735	5,735	11,379	11,469
Interest expense- related parties	2,505	608	5,011	1,087
Other general & administrative expenses	2,902	1,039	5,745	1,383
Total expenses	66,680	36,812	115,545	55,208
Investment loss before income tax expense	(46,680)	(36,812)	(81,375)	(50,760)
Income tax expense	-	-	-	-
Net investment loss	(46,680)	(36,812)	(81,375)	(50,760)
Net increase (decrease) in unrealized appreciation on investments, net of \$0 taxes	30,500	(2,492)	39,995	(38,665)
Net decrease in net assets resulting from operations	\$ (16,180)	\$ (39,304)	\$ (41,380)	\$ (89,425)
Decrease in net assets per share	(0.023)	(0.056)	(0.059)	(0.129)
Weighted average shares outstanding	695,897	695,897	695,897	695,897

Edgar Filing: ENERCORP INC - Form 10-Q

See accompanying notes to unaudited financial statements

Enercorp, Inc.**Unaudited Statements of Cash Flows**

	Six months ended December 31, 2006	Six months ended December 31, 2005
Cash flows from operating activities:		
Net decrease in net assets resulting from operations	\$ (41,380)	\$ (89,425)
Adjustments to reconcile net decrease in net assets to net cash provided by (used in) operating activities:		
Net change in unrealized (appreciation) depreciation on investments	(39,995)	38,665
Increase in other assets	(1,918)	(2,503)
Increase in accounts payable and accrued expenses	86,492	27,965
Total adjustments	44,579	64,127
Net cash provided by (used in) operating activities	3,199	(25,298)
Cash flows from financing activities:		
Proceeds from notes payable	2,828	25,500
Payments of notes payable		